Establishing System for Sustainable Integrated Land-use Planning Across New Britain Island in Papua New Guinea

Part I: Project Information

Name of Parent Program
Food Systems, Land Use and Restoration (FOLUR) Impact Program

GEF ID
10239

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
CBIT **No**
NGI **No**

Project Title
Establishing System for Sustainable Integrated Land-use Planning Across New Britain Island in Papua New Guinea

Countries
Papua New Guinea

Agency(ies)
UNDP

Other Executing Partner(s)
Conservation and Environment Protection Authority (CEPA))

Executing Partner Type
Government

GEF Focal Area

Multi Focal Area

Taxonomy

Influencing models, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Convene multi-stakeholder alliances, Local Communities, Stakeholders, Indigenous Peoples, Communications, Awareness Raising, Education, Behavior change, Beneficiaries, Civil Society, Non-Governmental Organization, Community Based Organization, Academia, Private Sector, SMEs, Individuals/Entrepreneurs, Large corporations, Type of Engagement, Consultation, Information Dissemination, Partnership, Participation, Enabling Activities, Capacity, Knowledge and Research, Knowledge Exchange, Innovation, Knowledge Generation, Capacity Development, Gender Mainstreaming, Gender Equality, Women groups, Sex-disaggregated indicators, Gender-sensitive indicators, Gender results areas, Participation and leadership, Access and control over natural resources, Access to benefits and services, Integrated Programs, Food Systems, Land Use and Restoration, Integrated Landscapes, Landscape Restoration, Sustainable Food Systems, Sustainable Commodity Production, Smallholder Farming, Deforestation-free Sourcing, Food Value Chains, Comprehensive Land Use Planning, United Nations Framework Convention on Climate Change, Climate Change, Focal Areas, Nationally Determined Contribution, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Sustainable Development Goals, Land Degradation, Sustainable Land Management, Sustainable Agriculture, Ecosystem Approach, Sustainable Forest, Restoration and Rehabilitation of Degraded Lands

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 2

Climate Change Adaptation

Climate Change Adaptation 0

Submission Date

12/12/2020

Expected Implementation Start

10/1/2021

Expected Completion Date

9/30/2027

Duration

72In Months

Agency Fee($)

963,826.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
IP FOLU	Transformation of food systems through sustainable production, reduced deforestation from commodity supply chains, and increased landscape restoration	GET	10,709,174.00	50,566,514.00
		Total Project Cost($)	**10,709,174.00**	**50,566,514.00**

B. Project description summary

Project Objective

To reduce rates of agricultural driven deforestation and biodiversity loss and to establish a sustainable system of land-use planning to guide future land development activities, sustainable and resilient commodity/crop production and farming systems across Papua New Guinea.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 1: Development of integrated landscape management systems	Technical Assistance	**Outcome 1:** National Sustainable Land Use Planning Policy Framework, supporting effective management of development activities, formulated, legalized and mainstreamed into the development planning process for two provinces, four districts and four LLGs, as indicated by: ***- Number of national plans and supportive legislative instrument passed by NEC****, as indicated by the legalization of the NSLUP regulation at the national level, and three supportive regulations for NSLUP implementation at the sub-national level.* ***- Number of jurisdictions utilizing NSLUP guidance for development of land use plans****, as indicated by utilization of the guidance in in two provinces, four districts and four LLGs to develop land use plans that designate at least 2,690,870 ha of*	**Output 1.1**. National Sustainable Land-use planning policy, guidance and regulations endorsed, implemented and sustainably financed, *through i) establishment of NSLUP Implementation Committee; ii) enhancing integration of spatial and sustainability criteria into planning and budgeting framework; iii) developing provincial policies and regulations on land use planning or land use change; iv) developing sustainable financing and incentive plans for NSLUP; v) developing guidance document for NSLUP implementation at provincial, district, LLG and ward level.* **Output 1.2**. Sustainable land use planning information and coordination systems and tools established at national and subnational	GET	1,986,821.00	11,500,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 2: Promotion of sustainable food production practices and responsible value chains to reduce land stress and avert degradation and deforestation	Technical Assistance	**Outcome 2:** Strengthened cooperation and coordination within Cocoa and Palm Oil sectors for enhanced sustainability productivity and investment and reduced land clearance: - ***Number of policies and action plans approved that fully integrate sustainable production****, as indicated by the legalization of oil palm and cocoa action plans, as well as one palm oil policy and one cocoa policy.* - ***Percentage of the operational costs of multi-stakeholder platform structures sustainably financed through government and private sector****, as indicated by the entire (100%) operational costs of the platforms are fully funded by stakeholders*	**Output 2.1**. National level Palm Oil and Cocoa Platforms fully operational and linked with subnational coordination systems, *through i) the establishment and/or strengthening of palm oil palm and cocoa platforms at the national level; ii) operationalization of these platforms by ensuring the availability of the public and non-public funding for their operations; and iii) systems leadership that enables national and sub-national level champions.* **Output 2.2.** Scenario analysis of cocoa and oil palm development in PNG, *by conducting cost-benefit analysis and targeted scenario analysis for different palm oil and cocoa development models in PNG.* **Output 2.3** One	GET	2,011,388.00	5,500,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 2: Promotion of sustainable food production practices and responsible value chains to reduce land stress and avert degradation and deforestation	Technical Assistance	**Outcome 3:** Strengthened Smallholders Support Systems that promote sustainable agricultural practices through enhanced access to technical support, finance, and markets, as indicated by: ***- Percentage increase in income of smallholder farmers through adoption of good agricultural practices****. With target small holders achieving a 30% increase in income through adoption of good agricultural practices from that of baseline which will be established in Y1.*	**Output 3.1** Establishment of enhanced sustainability focused extension systems for small scale palm oil and cocoa producers including through expansion of privatized extension service provision, *including through expansion of privatized extension service provision, through formulation and legal endorsement of the guidelines to strengthen palm oil and cocoa extension systems in PNG.*	GET	1,083,461.00	12,500,000.00
		- Number of farmers adopting enhanced sustainable agricultural practices that improve land use practice and support restoration of degraded lands disaggregated by gender *with 12,305 farmers (3,692 female, 8,613 male gaining access to enhanced extension services and 50% those impacted by COVID-19) receiving improved*	**Output 3.2.** Testing and roll out of enhanced sustainably focused extension services to smallholders in the oil palm and cocoa sectors including hybrid livelihoods, *through i) development of cocoa and palm oil extension materials/modules comprising of, among others, GAPs,*			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 2: Promotion of sustainable food production practices and responsible value chains to reduce land stress and avert degradation and deforestation	Technical Assistance	**Outcome 4:** Strengthened value chains to enable sustainable agricultural production, as indicated by: - ***Number of farmers covered by new purchase agreements linked to sustainable production practices and access to higher value global supply chains***, *as indicated by obtaining purchasing agreements for least 4,000 farmers (1,200 females, 2,800 males) to be integrated into higher value global supply chains.*	**Output 4.1** Improved access to high value markets through development of business capacity, networking and coordination across smallholders including women and those most vulnerable within communities, *by i) identifying and providing capacity building to 12,305 palm oil and cocoa smallholder farmers; ii) engaging and linking the selected farmers with off-taker/buyer companies; and iii) monitoring the update and application of GAP by the target farmers.* **Output 4.2.** Support to development of improved traceability and payment process for cocoa in partnership with key private sector institutions, *through i) review of existing cocoa traceability systems; ii) partnership with*	GET	1,386,393.00	5,500,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 3: Conservation and restoration of natural habitats through public-private-community partnerships	Technical Assistance	**Outcome 5:** Strengthened governance structures and institutional capacity for integrated action on conservation and restoration of natural habitats, as indicated by: ***- Percentage of environmental infringements reported and percentage of which follow up monitoring and enforcement action is taken****, as indicated by full operationalization of the encroachment monitoring and reporting systems leading to at least 80% increase in reporting of infringements and 100% increase in follow-up actions.* ***- Percentage increase in investments in environmental planting and small-scale woodlots for restoration of at least 50,000 ha of degraded land in two target landscapes****, as indicated by 40% in investments.*	**Output 5.1**. Enhanced capacity of provincial officers to take action with regard to environmental issues, including enforcement of environmental legislation, and undertaking of restoration and conservation actions, *by i) developing capacity matrix to assess existing government capacity, and ii) providing training on the implementation of Environmental Act 2000 to selected provincial officers in the target landscapes.* **Output 5.2.** Establishment of Integrated Environmental Monitoring and Reporting System including remote deforestation monitoring and field verification reporting application, *through i) strengthening operation of real time deforestation monitoring*	GET	1,311,680.00	5,000,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 3: Conservation and restoration of natural habitats through public-private-community partnerships		**Outcome 6:** Enhanced uptake and effective planning and management of buffer zones, set aside and restoration actions the target provinces, as indicated by: ***- Increase in number of communities engaging in at least 21,494 ha enhanced set aside, buffer zone management and restoration activities****, as indicated by 60% of communities n targets areas undertaking restoration, set aside and conservation action.*	**Output 6.1.** Increased capacity of community groups to effectively manage community-based conservation restoration, set aside, buffer and conservation areas, *through capacity building of community groups, strengthening coordination networks and development of sustainable finance plans* **Output 6.2.** Detail management and restoration plans for set aside and buffer areas formulated, implemented and monitored	GET	700,260.00	3,500,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 4: Knowledge management and impact monitoring	Technical Assistance	**Outcome 7:** Integrated knowledge management, coordination and collaboration to enhance knowledge of factors to foster lessons learns for replication in other areas, as indicated by: - ***Improvement in multi-stakeholder process ladder of change****, as indicated by at least one-step improvement across all elements of ladder for cocoa, palm oil and land use planning processes.* - ***Documentation of sustainable production and sustainable landscape management associated knowledge****, as indicated by publication of 19 high quality knowledge products that reflect best practices and lessons learned including project results and sustainability circulated targeting different groups.*	**Output 7.1:** Establishment of a FOLUR community of practice and leadership group with capacity to share knowledge and skills domestically and internationally, *through i) participation of the annual Regional and Global FOLUR platform meetings and Green Commodity Programme CoPs; ii) participation in commodity-based regional-level knowledge exchanges, especially with Indonesia and Malaysia; and iii) contribution to the development of the Global FOLUR progress and monitoring reports, as well as knowledge and policy products.* **Output 7.2.** Project implementation coordinated through proactive steering committee functions and inclusive monitoring and	GET	1,719,210.00	4,500,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
				Sub Total ($)	**10,199,213.00**	**48,000,000.00**
Project Management Cost (PMC)						
				GET	509,961.00	2,566,514.00
				Sub Total($)	**509,961.00**	**2,566,514.00**
				Total Project Cost($)	**10,709,174.00**	**50,566,514.00**

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Conservation and Environmental Protection Authority (CEPA)	Grant	Investment mobilized	1,400,000.00
Recipient Country Government	Conservation and Environmental Protection Authority (CEPA)	In-kind	Recurrent expenditures	600,000.00
Recipient Country Government	Department of Lands and Physical Planning	Grant	Investment mobilized	4,000,000.00
Recipient Country Government	Department of Lands and Physical Planning	In-kind	Recurrent expenditures	2,000,000.00
Recipient Country Government	Department of Agriculture and Livestock	Grant	Investment mobilized	4,000,000.00
Recipient Country Government	Department of Agriculture and Livestock	In-kind	Recurrent expenditures	2,000,000.00
Recipient Country Government	Climate Change and Development Authority	Grant	Investment mobilized	100,000.00
Recipient Country Government	West New Britain Provincial Authority	Grant	Investment mobilized	2,352,007.00
GEF Agency	UNDP	Grant	Investment mobilized	4,000,000.00
GEF Agency	UNDP	Grant	Investment mobilized	6,000,000.00
Donor Agency	FAO	Grant	Investment mobilized	10,000,000.00

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Civil Society Organization	Forests for Certain (FORCERT)	Grant	Investment mobilized	1,100,000.00
Private Sector	Oil Palm Industry Cooperation	Grant	Investment mobilized	3,400,000.00
Private Sector	Oil Palm Industry Cooperation	In-kind	Recurrent expenditures	600,000.00
Private Sector	NBPOL	Grant	Investment mobilized	2,710,000.00
Private Sector	Hargy	Grant	Investment mobilized	906,500.00
Private Sector	Outspan	Grant	Investment mobilized	870,000.00
Private Sector	Agmark	Grant	Investment mobilized	270,000.00
Recipient Country Government	Climate Change and Development Authority	In-kind	Recurrent expenditures	200,000.00
Recipient Country Government	West New Britain Provincial Authority	In-kind	Recurrent expenditures	2,058,007.00
Civil Society Organization	Forests for Certain (FORCERT)	In-kind	Recurrent expenditures	2,000,000.00
			Total Co-Financing($)	**50,566,514.00**

Describe how any "Investment Mobilized" was identified

Government: ? Conservation and Environmental Protection Authority to contribute towards sustainable agricultural development with focus on improved integration of environmental and conservation issues within the development planning process as well as specific agricultural development. ? Department of Lands and Physical Planning, focusing on support to development of the NSLUP regulations, systems for sustainable land use planning and their testing. ? Department of Agriculture and Livestock focusing on support to strengthening of sustainable agricultural value chains for cocoa and palm oil. ? Climate Change

Development Authority to contributed to strengthening the development planning process and sustainable land management approaches to ensure that climate change considerations and knowledge are fully integrated within these. ? West New Britain Provincial Administration ? to support action towards sustainable agricultural development, and integrated land use and development planning. Private Sector: Investments for sustainable supply chains have also been mobilized from: ? Hargy Oil Palm Limited will contribute a total of US$ 0.9m to strengthen the capacities of local farmers, enhancing sustainability of commodity supply chains and safeguarding biodiversity and ecosystem services on in the New Britain landscape. ? New Britain Palm Oil will contribute US$2.71m primarily focused on supporting smallholder oil palm growers to engage with RSPO certification processes and connecting them to premium markets through certified sustainable supply chains ? Agmark Ltd will contribute US$0.27m with a focus on supporting improved extension systems, facilitation of access to certified supply chains, enhanced traceability systems and equipment, and engagement in policy dialogues and meetings. ? Outspan Ltd will contribute US$0.87m with support predominantly linked closely with actions within Outcomes 3, and 4 including work to enroll further farmers in their certification and tracking systems, provision of training and supporting provision of planting stock as well as maintenance of fermentaries. ? Oil Palm Producers Corporation will contribute US$4m focused on support to the further sustainable growth of the oil palm industry. GEF Agency/Development Partners: ? UNDP will provide parallel co-financing of US$10m for support focused on supporting rural entrepreneurship, investment and trade in Papua New Guinea, as well as towards the establishment of systems for sustainable land-use planning across the New Britain Island. ? FAO will provide parallel co-financing of US$10m with a particular focus on support to sustainable commercial agricultural development and enhancing sustainability of commodity supply chains and safeguarding the globally significant biodiversity and ecosystem services in Papua New Guinea. NGO ? FORCERT ? focused on sustainable resource management and integrated land use and development planning.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Papua New Guinea	Biodiversity	BD STAR Allocation	5,354,587	481,913
UNDP	GET	Papua New Guinea	Land Degradation	LD STAR Allocation	842,431	75,819
UNDP	GET	Papua New Guinea	Climate Change	CC STAR Allocation	842,431	75,819
UNDP	GET	Papua New Guinea	Multi Focal Area	IP FOLU Set-Aside	3,669,725	330,275
				Total Grant Resources($)	**10,709,174.00**	**963,826.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **false**

PPG Amount ($)

300,000

PPG Agency Fee ($)

27,000

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Papua New Guinea	Biodiversity	BD STAR Allocation	150,000	13,500
UNDP	GET	Papua New Guinea	Land Degradation	LD STAR Allocation	75,000	6,750
UNDP	GET	Papua New Guinea	Climate Change	CC STAR Allocation	75,000	6,750
				Total Project Costs($)	**300,000.00**	**27,000.00**

Please provide justification

NIL

Core Indicators

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	50000.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	10,000.00		

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	40,000.00		

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	2712364.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	2,690,870.00		

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	21,494.00		

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 5.1 Number of fisheries that meet national or international third party certification that incorporates biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

Type/name of the third-party certification

Indicator 5.2 Number of Large Marine Ecosystems (LMEs) with reduced pollutions and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)
0	0	0	0

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE

Indicator 5.3 Amount of Marine Litter Avoided

Metric Tons (expected at PIF)	Metric Tons (expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	0	32.3	0	0
Expected metric tons of CO?e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)		32.3		
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting		2021		
Duration of accounting		20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)				

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female		28,838		
Male		37,809		
Total	0	66647	0	0

Part II. Project Justification

1a. Project Description

Through the project development process a number of changes have occurred within the project design and proposed targets, as well as co-financing. Changes within the design and targets reflect increased information gained during the consultations within the PPG process as well as additional information collected and are in line with government commitments, while changes within levels of potential co-finance are largely linked to higher levels of economic and programmatic uncertainty for private sector and development partners due to COVID19 making significant co-finance commitments more challenging.

Key changes to project document from concept note:

Changes to Global Environmental Benefit Targets

The table below summarizes the changes to targets for GEB?s between concept note and project document phases. These changes reflect updated information collected during the PPG phase as well as more detailed calculations of GHG emissions avoided and direct beneficiaries. Further information on these targets is provided in Section 6 of the current document as well as more comprehensively in Annexes 14a, 14c and 14d of the Project Document. The table below summarizes the changes in the contributions to Core Indicators from the concept note.

Core Indicator		Target at Concept Note	Revised Target
1	Terrestrial protected areas created or under improved management for conservation and sustainable use (Hectares)	200,000 ha	Not Applicable
3	Area of land restored (Hectares)	27,000 ha[1][1]	50,000 ha
	Indicator 3.1 Area of degraded agricultural lands restored	-	10,000 ha

	Indicator 3.2 Area of forest land restored	-	40,000 ha
4	Area of landscapes under improved practices (excluding protected areas) (Hectares)	90,000 ha[2][2]	2,712,364 ha
	Indicator 4.1. Area of landscapes under improved management to benefit biodiversity	-	2,690,870 ha
	Indicator 4.3. Area of HCVF loss avoided	-	21,494 ha
6	Greenhouse Gas Emissions Mitigated (million metric tons of CO2e): lifetime direct post-project GHG emissions mitigated (20-yr estimates); lifetime indirect GHG emissions mitigated	4 million	32.3 million metric tons of lifetime direct post-project (20-year estimate); the indirect target will be estimated at MTR.
11	Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment	7,000 (3,000 females; 4,000 males)	66,647 individuals (28,838 females and 37,809 males).

The brief explanations for the deviations are explained in section F (PROJECT?S TARGET CONTRIBUTIONS TO GEF 7 CORE INDICATORS) above, while the detail justifications and formulas of the calculations are provided in Annexes 14a, 14c and 14d of the Project Document.

Changes within Project Structure

A number of changes have been made to the structure of the project while retaining the core elements of the Outcomes included within the CN. Many of these changes have been made to help simplify the project design to facilitate communication of the project to stakeholders as well as future reporting. Integration of some outputs has also been done to help promote enhanced coordination between actions during implementation. The table in **Annex B3** provides a summary of these amendments.

Budget allocation across components

Budget allocations for Components 2 and 4 have been revised with a 11.8% decrease in the budget of Component 2 and 49% increase in the budget of Component 4. These amendments have been made based on the addition of a Systems Leadership training programme to activities under Component 4, with this style of training originally envisaged under Component 2 and linked to the functioning of the

commodity platforms. During the PPG phase however it was identified that this training would be more impactful if linked more closely to the work of the global FOLUR platform with a broader context than that of the two more specifically agriculture focused platforms.

Co-finance

The co-financing amount of USD 50.566 million mobilized from partners differs from that noted within the concept note (64 million USD). This is linked largely with the current global context caused by pandemic of COVID-19 which led to high levels of economic and operational uncertainty for project partners as well as practical difficulties in obtaining letters from offices which are currently running with very limited staff (notably the World Bank). However, the project is closely working with the project partners to mobilize the co-financing as indicated in the submitted concept note and it is anticipated that additional co-finance will be secured by project implementation.

1) Global environmental problems, root causes, and barriers that need to be addressed (system description)

Papua New Guinea is one of the remaining global forest frontiers, with over 78% forest cover and, over 75% of the population living in rural areas with livelihoods that are heavily dependent on forests and ecosystem services.[3][3] The country is also one of the 17 most megadiverse countries[4][4] globally, richly endowed with biological diversity in its forests and marine ecosystems. Together with Indonesia?s part of the New Guinea island, it accounts for 5% of the world?s biodiversity of animal and plant species, over 60% of which are endemic.[5][5] It has been estimated that the number of plant species ranges between 15,000 to 20,000, representing 6% of the global flora, while the number of animal species is over 150,000 species.[6][6]

PNG?s remaining tropical forests are, however, threatened by ongoing deforestation attributed to commodity expansion and timber logging the impacts of which and level of are also being exacerbated by climate change as well as other natural hazards, with the project landscapes having a high number of High rankings within the Climate Hazard Assessment (see Annex 21 with further information also provided in Sections on Drivers and Barriers below) with those challenges linked to climate change projected to increase over the coming 30 years. These challenges are accentuated by PNG?s low levels

of adaptive capacity with ranked 149 out of 181 countries in the Notre Dame Global Adaptation Initiative[7][7].

Faced with these challenges the Government of PNG has committed to a low-carbon responsible and sustainable development pathway[8][8]. To achieve this the country?s governance over land use, as well as other areas, needs further strengthening to ensure that targets and reforms are achieved and that all stakeholders are able to engage with and benefit from this new pathway.

Context:

PNG?s commitments and efforts to pursue sustainability through low-carbon development is being hampered by deforestation and degradation. Both small-scale agriculture and large-scale commercial agriculture have become the key drivers of forest conversion. Within the commercial sector, conversion is illustrated through the rapid expansion of Special Agricultural Business Leases (SABLs) with roughly 5 million ha of land placed under these agreements in a little over 5 years. While many of these have been contested and the government has officially halted the issuing and development of SABLs, the issuing of Forest Clearance Authorities (FCAs), which allows for the clearing of forestland for agricultural development both within and outside SABL areas, has continued with FCAs covering over 3 million ha of land. Many of these SABLs and FCAs have been linked to development of new oil palm plantations, which are responsible for over 20,000ha of deforestation across New Britain and with further clearances expected. While cocoa, rice and other crops have not been directly related to such expansive clearance within single areas the prevalence of cocoa in many areas has resulted in multiple small-scale clearances. A lack of productivity within cocoa sector, largely linked to old planting stock, poor agricultural practices and the cocoa pod borer (the impacts of the latter exacerbated by the former points) is also resulting in interest in land use conversions in many areas with communities considering movement away from small scale cocoa production to agri-industrial plantations most notably of palm oil.

The new and rapid expansion of commercial agricultural is also paired with increasing rates of expansion of family agriculture that has historically been the primary driver of forest loss in PNG. These elements are combining to see rising levels of forest loss with average annual emissions from deforestation more than doubling from 4.4 million tCO_2e to 9.3 million tCO_2e between PNG?s reference period (2001-13) to 2014-15 as reported in the country?s Biennial Update Report. The increasing level of deforestation has been driven predominantly by the desire for economic growth,

exacerbated by the population growth, as well as the high economic reliance on the agriculture sector[9][9].

PNG?s economy has grown rapidly since the beginning of the century with average growth rates of over 5.7% pa from 2003-2011)[10][10], real GDP per capita rates at over 4%[11][11]. This growth has been driven largely strong commodity prices in the early part of the century as well as investment in Liquefied Natural Gas (LNG) developments with the minerals and energy sectors contributing some 36% of GDP[12][12] and 75% of exports. Declining commodity prices as well as completion of key LNG infrastructure have, however resulted in a significant slowing of growth to just over 2% in more recent years. The impact of this growth has been highly concentrated within a small cadre of educated and urbanized Papua New Guineans as well as land owning groups directly linked with these development projects. As such growth in many areas has driven an increasing level of inequality across PNG society between those engaged in high value economic sectors and the 87% of PNG?s population that live in rural areas or are not fully engaged within the formal economy. These challenges are also exacerbated by PNG?s high levels of population increase (3% per annum) and age demographic (35% under 14 and 20% 15-25) which puts significant pressure on government to maintain and expand service provision as well as for the economy to provide sufficient employment for new entrants. Without these elements the rapidly increasing number of people remain almost totally reliant on the land for provision of their livelihoods driving ongoing expansion of subsistence and small-scale commercial farming.

Furthermore, agriculture is the mainstay of the PNG?s economy both formal and informal. The agriculture, forestry and fisheries sectors have traditionally accounted for over 30% of PNG?s GDP, and have only seen a relative decline in importance within national statistics due to the expansion of other sectors - particularly linked to LNG development ? and remain core to the livelihoods of over 90% of PNG?s population. With regard to agriculture, palm oil and cocoa represent the largest commercial crops and contribute significantly to the economy, though unfortunately as well as driving forest conversion. This is especially the case for the New Britain Island, the project?s target landscape.

Further extenuating these economic challenges, the impact of COVID-19 on the Papua New Guinean economy are significant and will have a lasting impact. The World Bank estimates that GDP growth will drop by 4.2% in 2020 due to wider financing gaps in the external and fiscal accounts, and higher unemployment and poverty[13][13]. As a country with high poverty and low resilience, PNG will be

experience impacts from the COVID-19 pandemic across sectors, and as a result, overexploitation of the natural environment and reliance on ecosystem services will increase. A COVID-19 opportunity analysis has also been conducted (provided in the annexes), indicating that a ?green recovery? post-COVID-19 containment is a promising opportunity. Particularly while domestic competition is low and market access is limited, there is the opportunity to establish sustainable practices and supply chains as the norm. A preliminary assessment of the ongoing risks to PNG due to the COVID-19 pandemic are provided in the annex.

Oil palm. Papua New Guinea exported 565,000 Mt of palm oil in 2019, of which about 28% of that was produced by smallholders and about 72% was produced on plantations[14][14]. The New Britain provinces alone export more than 50% of the total production ? 1,591,603 Mt/year of fresh fruit bunches (estimated to 352,604 Mt of palm oil) ? 96.15% of which is RSPO certified (data from 2019) with almost all certified production coming from West New Britain[15][15]. The industry is largely dominated by the private sector, particularly New Britain Palm Oil Limited (NBPOL), which is involved with 70% of PNG?s total oil palm production either directly through plantations or by smallholder buying schemes[16][16]. Most of this palm oil was exported to Indonesia, India, China, EU and Malaysia. These value chains are based predominantly on integrated systems where nucleus estates work closely with small holders who are held under their international certifications and required to sell directly into the respective firms either NBPOL or Hargy who hold the milling and export capacity as well as strong links with target markets including further processing plants in Europe. These firms while separately branded also form part of larger international firms Sime Darbi (NBPOL) and SIPEF (Hargy) and access both conventional and concessional (through development banks) international finance.

As the demand for palm oil increases, particularly in China (where the demand for certified palm oil is low, but the overall demand for palm oil is high), there is a risk of a rapid increase in clearing of forest for non-certified plantation oil palm. This trend has already started with significant clearances happening in East New Britain as well as across the two Sepik Provinces. These activities are predominantly driven by firms based in Malaysia and Korea, the financing for which is unclear but is noted to rely heavily on revenue from forest clearing to allow for development. These projects are also focused on initial plantation development with subsequent buying from small holders proposed but with no clear indication of how these groups would be engaged or any standards linked to integration within these supply systems. Further information on the nature of the oil palm sector is provided in Annex 12e.

Further rapid expansion of palm oil will have significant impacts on PNG?s environment and economy as not only would expansion result in significant deforestation, land and ecosystem degradation, but it also reduces the availability of land for growing food. Unlike many crops, oil palm can often not be grown with other food crops and it cannot be consumed instead of processed and sold, and thus, in many areas oil palm farming reduces adaptive capacity in hunger seasons, while also forcing farmers to move subsistence cultivation to more marginal lands.

Cocoa. At least 150 thousand Papua New Guinean families rely on cocoa farming for their livelihood, and the economic contribution is estimated at 300 million PNG Kina (ca. USD 88 million), equating to roughly 20% of rural Papua New Guineans. This is even more marked in coastal and lowland areas and cocoa is the largest single source of income in East New Britain. Its supply chain is also highly distinct from that of palm oil with almost all production occurring through smallholder production systems, characterized by low inputs, low outputs, and usually low technical efficiency (outputs are well below the maximum achievable output for cocoa growing in the region). Nationally, these smallholders produce roughly 16 million kg of dry bean equivalents per year, while business-oriented output (usually from the private sector) is about 3.5 million dry bean equivalents per year[17][17]. The majority of these small holders are not bound by specific purchase agreements but rather sell into different supply chains depending on price, transportation and personal connections, with a combination of wet and dry beans also being produced at the local level before being sold to aggregators who export the beans largely to the Asian bulk markets.

Restrictions on export licenses as well as distances to export and processing facilities present significant challenges to many farmers as well as those groups seeking to access higher value markets and move away from the main export companies. Small holder finance is highly limited due the low levels of banking, limited collateral or clear purchasing contracts. Increased interest in the PNG market from a number of international firms (such as Olam) is starting to see a change in system with closer linkages along the value chain and enhanced tracking of production as well as availability of finance but significant opportunities remain for the sector to increase its productivity and market value while maintaining sustainable production.

Cocoa can be inter-cropped with food crops and is usually grown as a cash crop to support farmers who are at least partially subsistence based. With the implementation of PPAP/ PACD and other cocoa assistance programs, the cocoa model is gradually transitioning to a business-orientation, in which subsistence may lose importance, as cash income becomes the priority.

The country is strategically positioned to pursue sustainable development through application of sustainable landscape management, building on its commitment to forest conservation: increasing the percentage of land area protected for biodiversity conservation from 3.98% to 17.90% (Aichi targets), as well as reducing primary forest loss driven by AFOLU sectors from 9% to 5% (MTDP 3).

These efforts are framed within the country?s third Medium Term Development Plan (MTDP3) and supported by key planning and policy frameworks including the countries Strategy for Responsible and Sustainable Development (2015) the Protected Areas Policy and Protected Areas bill (anticipated to be passed in 2020) as well as the Climate Compatible Development Management Policy and Climate Change Management Act (2015).

The FOLUR project will support PNG fulfill its sustainability commitment under the Rio Conventions, as stipulated in the country?s National Biodiversity Strategy Action Plan (NBSAP), in particular goals 1, 2 and 3:

? To conserve, sustainably use, and manage the country? s biological diversity;

? To strengthen and promote institutional and human capacity building for biodiversity conservation, management and sustainable use; and

? To strengthen partnership and promote coordination for conserving biodiversity.

And although PNG does not set specific target for its Nationally Determined Contribution (NDC), the country does stress that reducing rates of forest degradation and deforestation in PNG are priority actions[18][18]. With regard to action under the UNCCD, PNG has committed to achieve Land Degradation Neutrality, targeting the restoration of 7.73 million hectares of degraded lands by 2030.

PNG?s ambitious targets to combat climate change are based not only on a commitment to shared global action but also a recognition of the significant climate and environmental challenges that PNG faces. The country is identified as high risk for the impacts of tsunamis and flooding and coastal inundation with the country being one of the first to have climate change refugees[19][19]. These hazards will likely impact the economy, wildlife, landscapes, and many Papua New Guineans. This is particularly true within PNG?s islands where the vast majority of the population live in low lying coastal areas and are reliant on ecosystems for their life and livelihoods. These risk elements are also accentuated by PNG?s limited capacity to respond to climate and other environmental shocks with

limited government resources, poor transport infrastructure, low levels of education and limited financial reserves at household level environmental shocks can be devastating. Indeed, in many areas PNG?s abundant forest resources are referred to as the country?s ?safety net? with rural communities relying on close access to these to be able to source food and building materials when existing crops and infrastructure is damaged.[20][20]. Further information on this is provided in Annex 21 Climate and Disaster Risk Screening.

In terms of commodity sustainability, the project will help PNG meet its commitments through the MTDP3 and Cocoa Strategic plan that focus on enhancing sustainable production systems as well as unit value of exports. The project specifically focuses on addressing sustainability issues in relation to the production of oil palm and cocoa, including through development and adoption of sustainable action plans and guidance for sustainable oil palm and cocoa.

Project landscapes:

The project has selected landscapes in the New Britain Island ? West New Britain and East New Britain provinces, taking into consideration the criteria of the FOLUR Impact Programme, as listed below:

i. Production landscape that remains critical for GEBs but where remaining forests are threatened by expansion of commercial commodities.

ii. ?Frontier? landscape where opportunity exists to preempt expansion and get ahead of commercial-driven forest loss.
Highly degraded landscape in need of restoration for the ecosystem services they provide to agriculture production.

iii. Highly degraded landscape in need of restoration for the ecosystem services they provide to agriculture production.

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[1] Direct: 7,000 ha (based on direct support to farmers and tree planting) and indirect: 20,000 ha (based on uptake actions by neighboring farmers and communities).

[2] Direct ? 10,000 ha (based on direct support to communities); indirect: 80,000 ha (based on broader impacts across each of the districts the project will work on. Once the land use plans are developed for LLGs, districts and provinces, the areas will be brought under better management and improve

protection of high value conservation areas as well as potential restoration activities, and the coverage is likely to be substantial. However, in absence of a thorough baseline assessment, we have maintained a conservation figure, and will be further validated during PPG.

[3] Source: UN-REDD 2018

[4] Mittermeier, R.A., Robles-Gil, P., Mittermeier, C.G. (Eds) 1997. Megadiversity. Earth's Biologically Wealthiest Nations. CEMEX/Agrupaciaon Sierra Madre, Mexico City

[5] FAO (2016). Report on the State of Biodiversity for Food and Agriculture in Papua New Guinea.

[6] Ibid.

[7] Rankings provided at https://gain.nd.edu/our-work/country-index/rankings/

[8] These approaches are laid out in a range of policy documents most notably ? PNG Medium Term Development Plan 2018-2022 (MTDP3), the National Strategy for Responsible and Sustainable Development (2015) (StaRS) the Protected Areas Policy and Protected Areas bill (anticipated to be passed in 2020) as well as the Climate Compatible Development Management Policy and Climate Change Management Act (2015).

[9] Climate Change and Development Authority, Ministry of Environment, Conservation and Climate Change, Papua New Guinea: Papua New Guinea First Biennial Update Report to the United Nations Framework on Climate Change https://unfccc.int/sites/default/files/resource/Papua%20New%20Guinea%20BUR1%20Final%20Version.pdf

[10] World Bank Group. (2017) Papua New Guinea Economic Update December 2017: Reinforcing Resilience. World Bank Group.

[11] World bank country overview https://Pisin.worldbank.org/en/country/png/overview

[12] World Bank Country Profile https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=Pisin&dd=Pisin&inf=n&zm=n&country=PNG

[13] https://www.worldbank.org/en/country/png/publication/papua-new-guinea-in-the-time-of-covid-19---from-relief-to-recovery

[14] *Ibid*

[15] *Ibid*

[16] *Ibid*

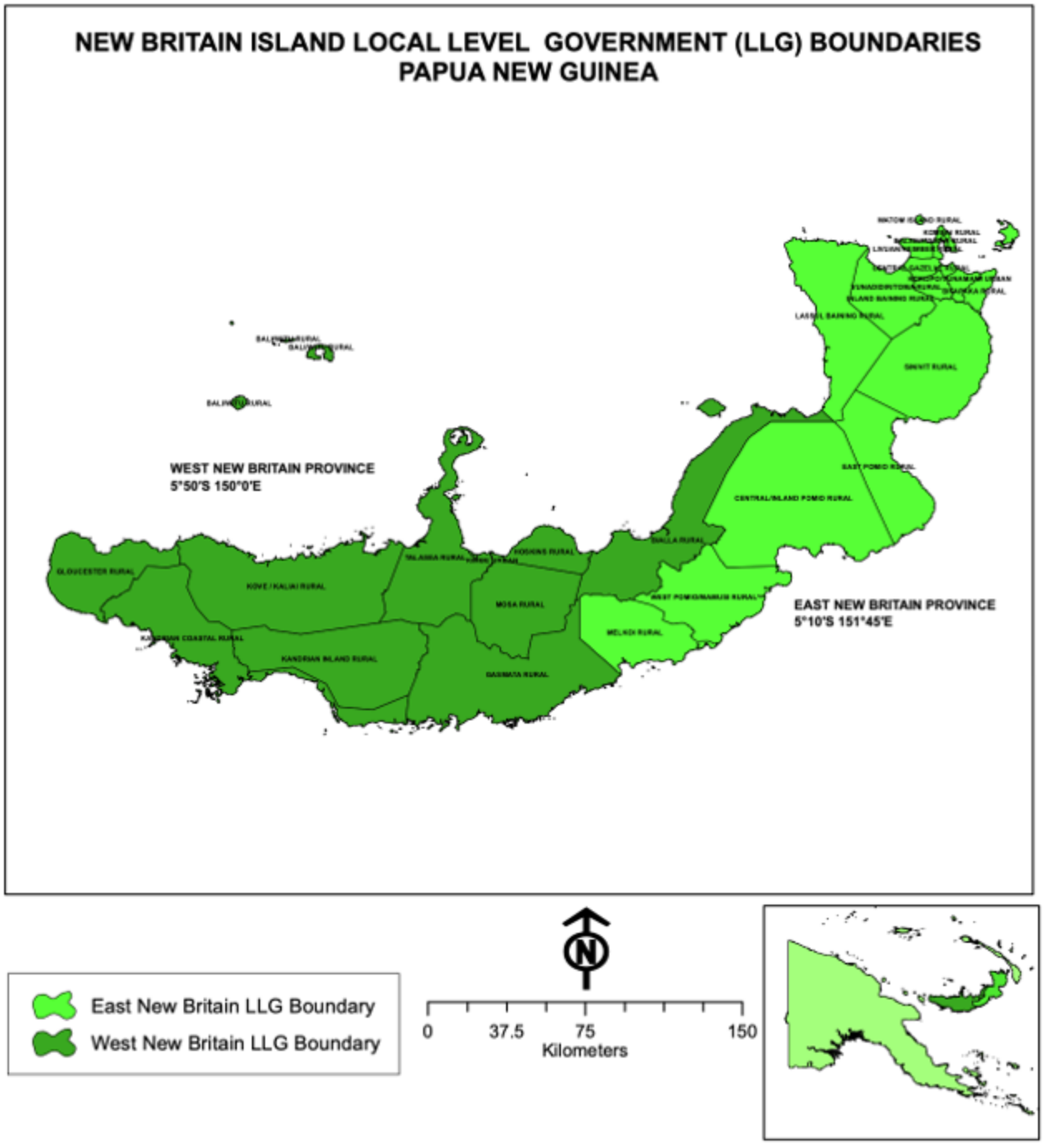
[17] Lescuyer et al., 2018. Value Chain Analysis of the cocoa industry in Papua New Guinea. CIRAD-CIFOR Report, Final version of 22th November 2018.

[18]https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Papua%20New%20Guinea%20First/PNG_INDC%20to%20the%20UNFCCC.pdf

[19]https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjn8byHqPTsAhVCjuYKHbuKBOMQFjABegQICBAC&url=https%3A%2F%2Fseors.unfccc.int%2Fapplications%2Fseors%2Fattachments%2Fget_attachment%3Fcode%3DE08A4IBVOE450Z2EQXIPM1G3R3AO0OBM&usg=AOvVaw1QkPp40Ib_zcqPH8LrV-eV

[20] https://reliefweb.int/sites/reliefweb.int/files/resources/verisk%20index.pdf

Project Document Figure 3. Map of Project Area



To achieve this the project will work across national policy initiatives as well as delivering targeted action across the landscapes of New Britain Island. At 3,330,890 ha it is the largest of the Bismarck Archipelago and ranges from dense lowland plains to a central mountainous spine with peaks of over

2,000 m. This area and its population of over 600,000 people is administered through two provinces East and West New Britain, six districts (4 in ENB, 2 in WBN) and 29 Local Level Governments (LLGs) (18 in ENB, 11 in WNB) with these LLGs made up of over 200 wards[1], which represent the lowest level of government planning in PNG.

The island is also representative of PNG in its high levels of forest cover (approximately 80% - compared to a national average of 78%) and high biodiversity value with the island being home to the Nakani, Baining and Whiteman Ranges. The first of these is on World Heritage Tentative list and is, with the Baining range, identified as a conservation priority for PNG[2].[3]. The island also contains several areas of high value lowland forest, extensive mangrove areas and within its coastal regions contains areas identified as of global significance for coral reefs.

West New Britain:

WNB has total population of 263,338 (138,217 males and 125,121 females) with a growth rate of 3.1% and over 40% of the population 14 years and under and a crude population density of 13 persons per square kilometer [4]. Economically the province has historically been dominated by logging, almost all of which is for round log export and oil palm production with the province the leading producer across the country and home to both NBPOL and HOPL with approximately 33% of production coming from smallholders. Both of these firms are RSPO certified and there has been limited expansion of planted areas within the past 30 years. The economy, and land use are however poised for transition with the rapidly expanding population and increase in young adults combined with the majority of timber concessions either recently expired or expiring there is pressure for increasing stimulation of economic activity either through the renewal of timer permits, development of new areas of oil palm or expansion of cocoa production areas which have been relatively limited in WNB but have been expanding within the Kandrain-Gloucester District the largest cocoa producing area in the province. This desire is highlighted by the 2017-2022 WNB strategic plan which targets an increase in cocoa estates and production (along with coffee) by 4 million cocoa dry beans and 1,500 cocoa processing plants, as well as construction of cocoa storage facilities for each LLG[40]. A number of Forest Clearance Authorities (FCAs) have also been approved or are approaching approval many of which focus on development of new oil palm estates by new market entrants with one permit covering an area of close to 100,000ha.

East New Britain:

ENB has total population of 327,355 (167,921 males and 159,434 females) with 41% of total population under 14 years old and a growth rate of 3.1% per annum and a crude population density of 21.5 persons per km^2 [9]. The economy is dominated by agricultural production with cocoa and copra

being the top commodities. Prior to the impacts of cocoa pod borer, the province was the largest producer of cocoa accounting for close to 50% of PNG?s production but this fell to just 12% in 2012 with the impacts of the pest. Recovery of the sector is however underway but requires investment to support farmers in utilizing new planting stock and improving production techniques elements that are also key to helping prevent more large-scale landscape conversion to other crops such as oil palm. These pressures are already being felt with over 40,000 ha of land under clearance or the development of new palm oil plantations within Pomio District.

HCV / HCS areas: In terms of high conservation values and high carbon stock distribution, the island has high potential coverage of HCV-1 (forest areas containing globally, regionally or nationally significant concentrations of biodiversity values), HCV-2 (Forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance), and HCV-3 (Forest areas that are in or contain rare, threatened or endangered ecosystems). The map below shows the probability of HCV1-HCV3 presence in the two landscapes and was developed as part of initiatives to test approaches to HCV / HCS mapping within PNG and to improve the planning of agricultural developments across the two provinces, with the data available providing important baseline information for the current project.

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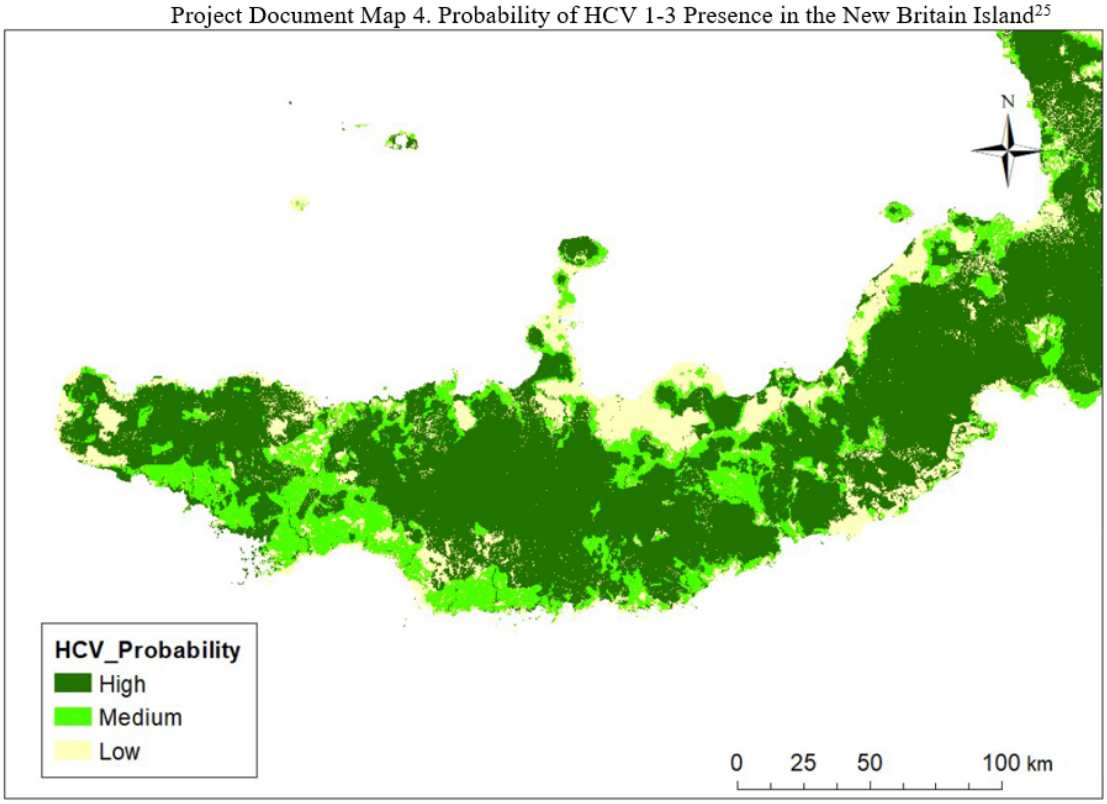
[1] The number of wards within an LLG ranges significantly from less than 10 to over 30.

[2] PNG is recognized has having very high levels of biodiversity with New Britain Island being an area of particular importance although assessments are also hampered by a paucity of data. The target landscape includes the Nankai range which has been identified on the World Heritage tentative list due to its outstanding natural value, with the broader landscape also containing a diverse range of habitats with very high biodiversity values. Several areas within the landscape (the Nakai, Whiteman and Baining ranges) were identified in the recent national conservation assessment as being of specifically high conservation value within PNG (CEPA (2017) Land Sea Conservation Assessment). The high value of biodiversity in the areas was highlighted by 2009 survey of the Nakai range which discovered over 200 species new to science including a new genus of mammal (Cairns Institute (2018) *The Nakanai Ranges of East New Britain*. James Cook University) while an assessment of the Baining Mountains identified a number of new and undescribed species of frog, the existence of the honeyeater *Melidectes whitemanensis* and the increase in the number of ferns, orchids and butterflies known to occur in New Britain (https://www.iucn.org/regions/oceania/our-work/critical-ecosystem-partnership-fund-cepf/emi-projects).

[3] Recent biodiversity assessments of these areas identified a startling 200 species new to science, including a new genius of mammal, as well a significant number of rare and endangered species including 64 species of bird seven of which are endemic to New Britain. These unique and high value terrestrial ecosystems are also surrounded by areas of exceptional marine biodiversity and ecological value. The Kimbe Bay is recognized as a globally significant marine hotspot.

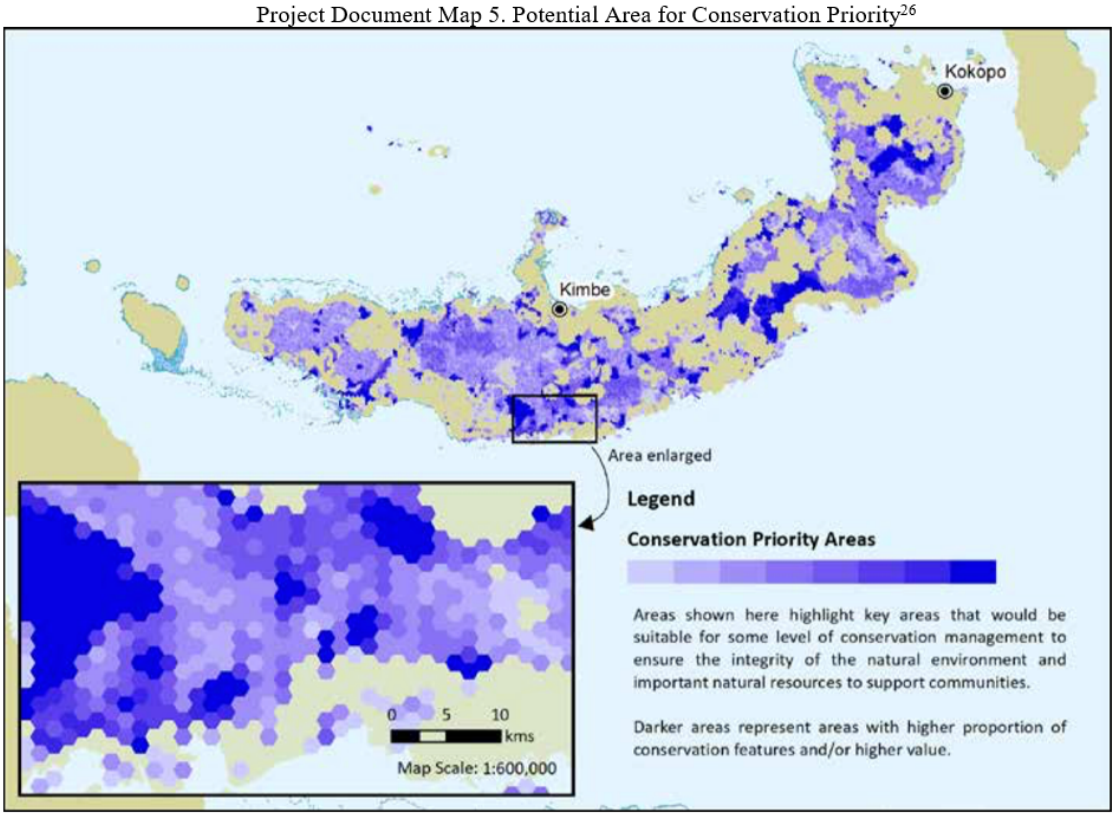
[4] NSO (2014) PNG National Census 2011

Project Document Map 4. Probability of HCV 1-3 Presence in the New Britain Island[25]



The two target landscapes also have high potential areas where improved management to benefit biodiversity can be promoted through adoption of sustainable landscape management plans. The map below shows areas identified of being of conservation priority based on a combined assessment of national conservation priorities and local level identification of priority areas. Delivering conservation actions within these areas would thus help to achieve national and international conservation objectives, as well as meeting the interests and needs of local communities. Exact site locations will be determined during project inception upon complete assessment of risks and necessary safeguards.

Project Document Map 5. Potential Area for Conservation Priority[26]



Despite these potentially high levels of conservation value, the island is facing ongoing threat of deforestation due to commodity expansion, especially oil palm and cocoa. An analysis made by the PPG team on forest loss utilizing the data from the Hansen Dataset[1] shows that between 2008 and 2018, the New Britain Island had lost a total of 215,189 ha of forest (124,682 ha in West New Britain and 90,507 ha in East New Britain) outside the areas nationally categorized as protected / conservation areas. If the BAU trend persists, then there may be additional 380,973 ha of forest cover loss in the next 20 years in the landscape. The figure could be worse if the deforestation rate increases over time. The map below shows the deforested areas within the landscapes during the period of 2008-2018. Exact site locations will be determined during project inception upon complete assessment of risks and necessary safeguards.

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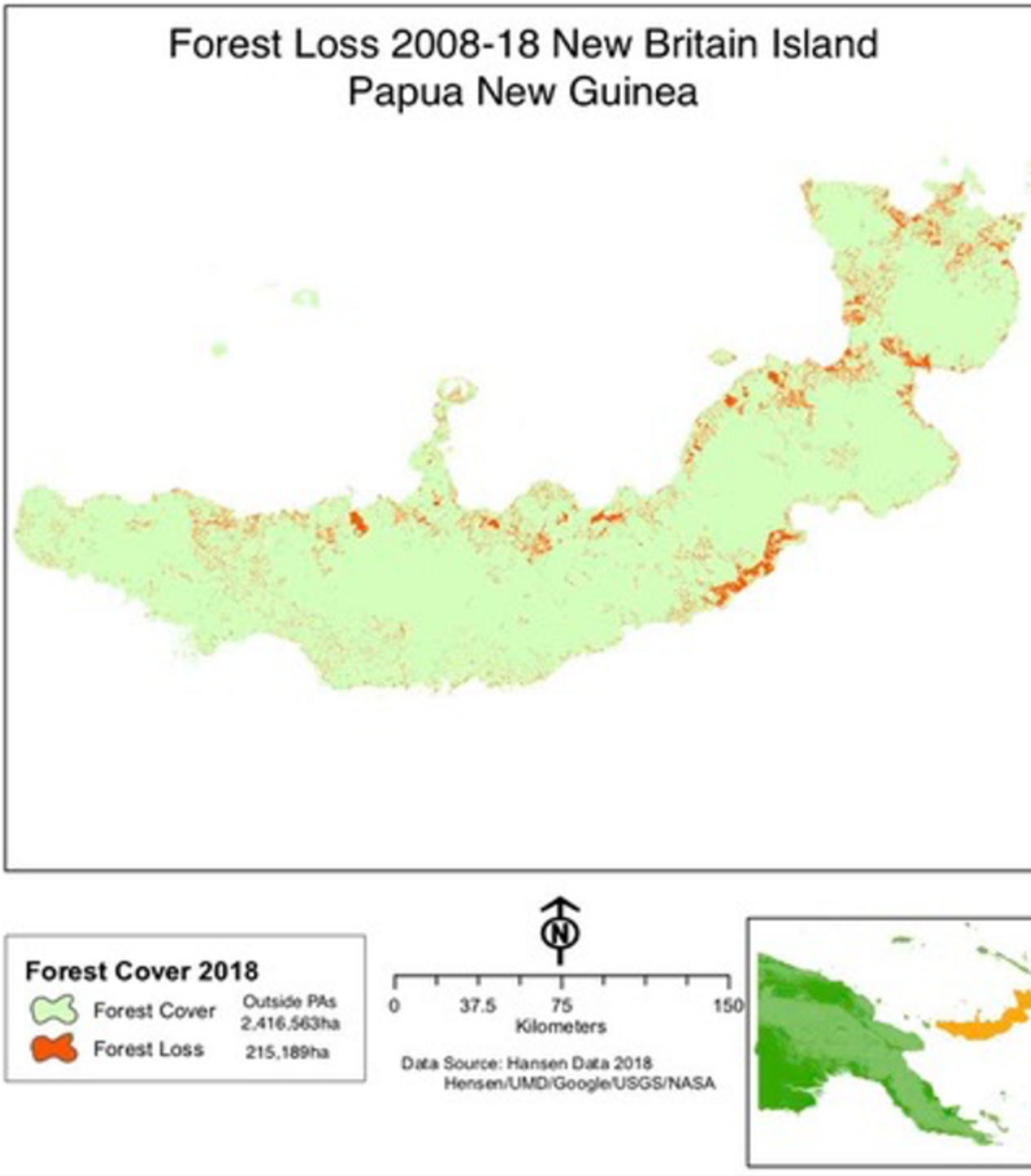
[1] Source: https://earthenginepartners.appspot.com/science-2013-global-forest/download_v1.6.html

Project Document Map 6. Forest Cover and Forest Loss in New Britain Island, 2008-201



Threats and root causes (drivers):

In PNG, the new and rapid expansion of commercial agriculture is paired with increasing rates of expansion of family agriculture. This increase in levels of deforestation have been driven by a number of underlying or root causes that link with PNG?s economic and social situation. These drivers include the following:

1. Desire **for economic development and income.** PNG?s economy has grown rapidly since the beginning of the century with average growth rates of over 5.7% pa from 2003-2011)[1], real GDP per capita rates at over 4%[2]. This growth has been driven largely strong commodity prices in the early part of the century as well as investment in Liquefied Natural Gas (LNG) developments with the minerals and energy sectors contributing some 36% of GDP[3] and 75% of exports. Declining commodity prices as well as completion of key LNG infrastructure have, however resulted in a significant slowing of growth to just over 2% in more recent years. The impact of this growth has been highly concentrated within a small cadre of educated and urbanized Papua New Guineans as well as land owning groups directly linked with these development projects. As such growth in many areas has driven an increasing level of inequality across PNG society between those engaged in high value economic sectors and the 87% of PNG?s population that live in rural areas or are not fully engaged within the formal economy. These challenges are also exacerbated by **PNG?s high levels of population increase** (3% per annum) and age demographic (35% under 14 and 20% 15-25) which puts significant pressure on government to maintain and expand service provision as well as for the economy to provide sufficient employment for new entrants. Without these elements the rapidly increasing number of people remain almost totally reliant on the land for provision of their livelihoods driving ongoing expansion of subsistence and small-scale commercial farming.

2. **The importance of agriculture**. Agriculture is the mainstay of the PNG economy both formal and informal. The agriculture, forestry and fisheries sectors have traditionally accounted for over 30% of PNG?s GDP, and have only seen a relative decline in importance within national statistics due to the expansion of other sectors - particularly linked to LNG development ? and remain core to the livelihoods of over 90% of PNG?s population. With regard to agriculture palm oil, cocoa and coffee represent the largest commercial crops and account for approximately 9% of total exports and represent significant contributions to global supplies of these commodities.

<u>Agriculture Specific Root Causes</u>

3. **Knowledge Gaps** ? There is currently limited knowledge on potential land use options amongst communities with many having limited access to information or independent guidance on options for land use development. This situation leaves communities vulnerable to accepting propositions that have significant and detrimental impacts on their lands and may not be viable agricultural projects. Similarly, there is limited knowledge on international markets for key commodities amongst land owning communities, producers and well as decision makers within government. This position reduces the potential for adoption of high certification standards and access to premium markets with the

majority of cocoa production currently going to bulk markets and new palm oil developments not able to access EU or US markets. This limited knowledge also links with adoption of good agricultural practices with many producers producing well below optimum levels and vulnerable to pest and disease infestation in terms of cash crops while significant improvements are also possible with regard to production of subsistence produce including the citing of farms and actions to help reduce soil loss and degradation. Subsistence production also faces significant knowledge gaps in effectively responding to a changing climate, with levels and intensity of rainfall changing along with seasonal temperatures there is a gap in farmer knowledge in how to adapt to these changes, from changes in farmer practices to utilization of alternative planting stock.

4. **Unresponsive supply chains** ? These knowledge gaps are also exacerbated by unresponsive supply chains, which do effectively respond to behavior change at producer levels. Within the cocoa sector action by producers to adopt improve standards does not results in improved prices unless part of a pre-agreed scheme due to limited demand and supply chain linkages with international buyers seeking premium products and relatively low levels of disaggregation of beans within central fermentaries. Equally while premiums are available for certified production there is limited understanding of the scale and nature of these premiums amongst farmers. Within the palm oil sector while RSPO certification has ensured market access for existing producers to premium markets in Europe, access to other markets and limited information on future trends or price differentiation presents limited incentive for land owning communities or policy makers to prioritize certified production especially when it creates significant barriers to expansion within high forest landscapes such as PNG.

5. **Access to finance** ? Access to finance is limited across the agricultural supply chain. Small-scale producers have limited access as a result of low levels of engagement with the formal finance sector or collateral on which to access additional finance. At the medium to large scale finance is also restricted due to challenges in lending within the PNG environment and low levels of understanding of and engagement with PNG production systems.

6. **Unsustainable practices** ? These elements combine to result in high levels of unsustainable practices with targeting of high value timber areas for large agricultural developments as a means to pre-finance developments prevalent as adoption of unsustainable agricultural practices including planting along river buffer areas, removal of shade trees, and planting on sloped areas as well as poor use of inputs such as fertilizers.

Action to Address Drivers:

A long-term commitment to sustainability facing significant barriers. Action to support long terms sustainability of development activities has a central position in much of PNG?s legislative framework. The importance of environmental management is enshrined in the fourth goal of the PNG Constitution, which sets out for: *Papua New Guinea?s natural resources and environment to be conserved and used for the collective benefit of us all and be replenished for the benefit of future generations.*

This broad goal has been integrated into many of PNG?s key long-term strategies including Vision 2050 and the Development Strategic Plan. More immediately the country?s MDTP 3 (2018-22) targets increase in the land area under conservation from 5% to 17.9%, and to reduce annual rates of primary forest loss from 9% to 5%[4]. CEPA has a central mandate to address these issues through both its role in conservation outlined in the CEPA Act 2015, the PNG Protected Area Policy and the Environment Act 2000, which guides what environmental conditions are required for any development activities. These roles also link closely with those of other government departments and agencies who have key rolls within national and subnational planning processes as well as action target sectors. These include the:

? *Department of Lands and Physical Planning (DLPP*), which plays the central role in allocating land for different activities and supporting how land use planning is done.

? *PNG Forest Authority* ? which is mandated to develop provincial and national forest plans that allocate forest resources (concessions) as well as the management and monitoring of those concessions through the National Forest Service.

? *Department of National Planning and Monitoring* ? The department is centrally mandated to coordinate development planning across sectors and subnational governments as well as donor support.

? *Department of Provincial and Local Government Affairs* ? responsible for supporting the link between national and subnational governments.

? *Department of Agriculture and Livestock* ? has a mandate to provide policy advice and technical and administrative support for the optimal performance of the agriculture sector.

? *Oil* Palm Industry Corporation (OPIC) ? responsible for providing extension services to the smallholders, out-growers and settlers within the precincts of nuclear estates of oil palm growing provinces. OPIC?s key role is to provide efficient delivery programmes and develop market infrastructure for its smallholders and out-growers

? *Cocoa Board* - envisioned to foster a sustainable cocoa industry that enhance rural livelihoods and contribute to the wellbeing of our rural population under National Pillar No 2: Wealth creation. We aspire to foster innovative farming practices (best practices) that maximize farmer?s profitability and income and be able to develop/maintain sustainable value chain and remain internationally competitive.

Historically sustainable agricultural sectors - the actions of government are also linked with historically high levels of sustainability within private sector production systems in particular palm oil and cocoa. A significant and historically sustainably certified palm oil industry makes the most significant

contribution to exports with 1,530,335 Mt of oil produced in 2019[5]. These levels of production make PNG the world?s 3rd largest palm oil exporter[6], with all exports until recently coming from RSPO certified areas with PNG having the 3rd largest Round table on Sustainable Palm Oil (RSPO) certified area globally at over 186,000 ha[7]. This production has been concentrated around a small number of estates with associated smallholder growers and controlled by two companies, Hargy Oil Palms Ltd (a subsidiary of SIPEF) and New Britain Palm Oil Ltd (a subsidiary of Sime Darby Plantation Berhad) who export to European markets. These firms are estimated to provide direct income to 200,000 people but with both firms committed to RSPO certification have seen limited geographical expansion over the past 30 years due to the high costs of finding new areas for production.

A smallholder centered cocoa system in PNG is a contrast to the significant role of estates in palm oil. Cocoa is smaller in value than palm oil but **contr**ibutes ~3.78% of total GDP in PNG[8]. With 90% of this production being classified as smallholder subsistence production it forms a central part of the livelihoods of rural communities engaging some 16% of PNG rural population rising to over 30% in coastal areas[9]. This high prevalence makes it a crucial element of the rural economy and has been identified as having a 1.15 multiplier effect across the economy[10]. With predominantly low input systems, production levels per ha are low at 300kg per ha per annum (compared to potential yields of over 1,000kg) with mixed levels of quality also resulting in exports being predominantly destined for low value bulk markets with just 1% of PNG cocoa going to specialty markets and a similarly small level entered within certification standards[11]. These production systems were also ill equipped to address the onset of cocoa pod borer (CPB), which saw rapid reductions in production across the sector.

New Britain is the center for palm oil and cocoa production in PNG with vast majority of the country?s RSPO production situated on the north coast of the island in WNB Province, while the island is responsible for approximately 20% of cocoa production (18% ENB**[12]**, 2% WNB) ? although this figure was closer to 40% prior to the impact of CPB which hit ENB production systems particularly hard. Oil palm production is centered around nuclear estates with surrounding village oil palm (VOP) areas, as well as six-hectare blocks that were allocated through Land Settlement Schemes (LSS) in the late 1960, early 70s ? with the migrant populations extremely limited in their levels of land availability. Cocoa production is vastly more scattered across rural areas with many communities reliant of freight subsidies from the government to address the costs of transporting their beans to buyers within the urban centers

Long-term vision:

The long-term vision that the project will work to support the GoPNG, in partnership with other stakeholders is for communities to be able to effectively engage within global supply chains through systems that promote sustainability (social and environmental), enhance livelihoods and livelihood

resilience, and safeguard key environmental and cultural assets while also supporting efforts to restore degraded ecosystems. While economic and sector development policies target enhanced production within the agricultural sector, the project seeks to support increases in the quality, productivity and sustainability of systems as a means to achieve this. It will work to strengthen the knowledge of all those engaged in land use decision making and the systems that guide them, from the identification of where different land uses will be situated to how that land is used when under agricultural or other production systems. By working with all groups from land owning communities through local and provincial governments to national government, as well as domestic and international private sector the project intends to help ?join up? the land use decision making process from national policies and objectives to community decision making. It will support this through the development and provision of multi-stakeholder forums as well as information and tools to help stakeholders come together to make informed decisions on land use. Through this process, the project will help to increase the voice of communities and other vulnerable groups in decision making, strengthen the capacity of government officials to support decision making processes and help guide companies to support sustainable practices.

At the landscape level, the vision of the project in the medium term is that stakeholders will be empowered to make effective decisions on landscape management and production systems. That these skills will see improvements in livelihoods and livelihood resilience of communities as well as productivity and market integration of existing agricultural areas. It also seeks to ensure that while some developments will continue these do not impact on key biodiversity and ecosystem functions and are designed, through processes of full and effective consultation and consent to fully support and sustain resilient livelihoods for communities with regard to considerations of gender, ethnicity and inter-generational equity.

Barriers towards achieving the long-term vision:

The achievement of these long-term visions is hindered by a number of barriers, which the project will aim to address. These barriers are as follows:

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Barrier 1: *Weak and fragmented planning processes for land use management* ? while the DLPP has a mandate for the development of National, Provincial and Local land use plans none of these have been developed, outside of urban areas, through the department or government processes. The important role of customary ownership of land combined with no link between spatial land use plans and the development planning and budgeting processes have left limited incentive for spatial planning to be driven by government agencies. Conversely communities and NGO groups have led significant efforts to develop Ward and LLG level plans in many areas as well as land use plans linked to conservation

areas. These plans despite being broadly operationalized through a combination of ward level governments and land-owning communities have not been effectively integrated into the government planning system and as such have limited legal recognition.

Even within project level land use planning activities linked to development activities there is also significant fragmentation with many developers bypassing effective engagement of land-owning communities and indeed government systems targeting instead high-level political figures at national or provincial level to try to gain access to permits. The rapid allocation of and subsequent significant legal challenge to Special Agricultural Business leases provide a prime example of this process.

Barrier 2: *Conflicting and misaligned policies* ? while PNG?s central policy framework highlights the importance of stewardship of natural resources and responsible development, there remain significant conflicts across sector policies and targets. The MDTP 3 (2018-22) targets increase in the land area under conservation: from 5% to 10%, and to reduce annual rates of primary forest loss: from 9% to 2%, but also targets significant increases in agricultural production including a quadrupling of cocoa production and expansion of palm oil areas. Indeed, the National Agricultural Development Plan had targeted a doubling of the area under agricultural production ? something that is not feasible without enhanced deforestation.

Further guidance on action within the cocoa sector is provided through the sector?s strategic plan ? although targets within this do not directly correspond with those of the MTDP3. The palm oil sector however has not central guiding policy or action plan.

Barrier 3: *Limited institutional capacity and coordination* ? There are significant limitations in institutional capacity and coordination across agencies. In terms of land use and development planning, the DLPP while present at a regional level has limited reach below provincial government and has limited capacities or systems to effectively support land use planning with no effective IT systems to support spatial planning and all existing information on land title and use stored in databases that are not able to display information spatially or effectively identify potentially overlapping land claims. At provincial level planning for land use, development activities and forest development are all addressed through separate committees with limited overlap. Additionally, within the agriculture sector there are significant limitations in the capacity of key government agencies to support access to extension services and with limited access to training materials, knowledge on updated techniques, improved planting stock as well as availability of extension workers.

In terms of supporting conservation and environmental protection activities, CEPA is extremely limited in its capacity to deliver regular monitoring activities with all staff based at the national level requiring significant time and resources to travel to areas to provide support. Provincial and district officers while on the ground only have a limited mandate to undertake environmental monitoring and reporting and lack training or resources to conduct environmental monitoring activities nor link fully within action on conservation.

Barrier 4: *Limited participation of all stakeholders within decision-making* ? while systems for decision-making on land use and development activities are in place there are significant limitations in the way that these systems are applied and that their application is enforced. Many actors seek to by-pass key systems working directly with national actors or avoiding engagement with land owning communities and targeting only one or two self-declared representatives. This has led to significant conflicts around allocation of land through processes such as the SABLs. Even where development has been mobilized systems for decision making linked to that development and the use of any royalties or payments linked to it are also regularly identified as challenging excluding many within communities especially those most vulnerable including women and youth.

At the policy and planning level where broad consultation is required to support policy development significant gaps exist in levels of participation within policy formulation. Approaches to land use planning and agricultural sector development have been developed with limited engagement across sectors, different levels of government or private sector and communities. Within the palm oil sector, the absence of any policy or coordination body has allowed rapid and un-controlled development activities, while within the cocoa sector structures established to facilitate consultation and coordination have had limited impact and a significant gap exists between representation and vision of government, private sector and community level producers within these bodies.

The above drivers and barriers are also being accentuated by the impacts of climate change as well as other nature hazards (including volcanoes and earthquakes). For example, these challenges are also likely to be accentuated by climate change as well as other natural hazards with the Think Hazard assessment (see Annex 21) identifying a number of high-risk areas. These will likely interact with the above noted drivers in the following ways:

? *Forcing changes in cropping patterns, techniques and locations* ? as climate patterns change communities are being forced to change their cropping patterns and techniques with increased uses of chemicals and fertilizers to address changing, with significant knowledge gaps existing on how to address these challenges. Increased levels of salt-water inundation, coastal flooding or river flooding due to increased intensity of rainfall is also causing communities to shift areas of cultivation into

previously forested areas with limited coordination on planning making the availability of good agricultural land for communities more limited.

? *Increased demand for commercial crops* - failure of traditional crops linked to changes in climate conditions is also resulting in an increased demand for a shift to commercial agriculture that for many is perceived as lower risk, higher reward and less vulnerable to climate shocks. This situation however has in many cases created a spiral of impacts as PNG?s abundant forest resources are often referred to as the country?s ?safety net? with rural communities relying on close access to these to be able to source food and building materials when existing crops and infrastructure is damaged. As such when these areas are replaced by mono-crop plantations with limited planning or consideration of community needs for access to agricultural and forest land it results in enhanced levels of vulnerability[13].

? *Reducing government capacity to adopt sustainable policies* ? the need to continually respond to high impact events or a change environment presents significant challenges for a government with limited resources and technical capacity. As such key agencies are often required to focus on a stream of immediate challenges as opposed to being able to adopt long term strategic planning approaches that would also help to strengthen policy coherence and institutional capacity.

? Reducing private sector willingness to invest ? increases in climate variability and the threat of natural hazards presents a challenging environment for investment either through longer term and large-scale commercial ventures or through provision of finance to smallholders.

Addressing these challenges is at the center of the project design with each component having key elements of climate change mitigation as well as adaptation integrated within its design. These approaches will be continually reviewed during project implementation with the project also working to help strengthen the availability of information on climate and other natural hazards and the integration of this into decision-making, thus helping to strengthen PNG?s overall response to CC.

2) Baseline scenario and associated baseline projects

There has been major investment in PNG on addressing the impacts of unsustainable land use and commodity production on ecosystems and biodiversity. Some of the key complementary baseline initiatives, policies, regulations and programs are outlined below. The FOLUR project will build upon lessons learned and good practices to enable synergies through promoting multi-stakeholder participation in the process. The project?s periodic impact assessment will take into account both the previous and existing initiatives in the landscapes as knowledge factor to ensure the project?s implementation is well targeted. A number of key projects and initiatives have and are continuing to work to deliver change and address barriers. Key areas of action include:

1. *Strengthened land use and integrated planning ?* at the national scale action through the DLPP on the development of the National Sustainable Land Use Planning (NSLUP) Policy marks the most significant effort to create a coherent approach to land use planning and management. This policy builds on significant work undertaken at subnational level as well as the broader national policy goals to present a framework for sustainable land use planning that allows for zoning of land linked to its importance of environment and development as well as highlighting the importance of cross sector links within the development planning process. The policy, however, is currently under review due to limited consultation in its development and the need for further technical inputs. While expected to pass in 2020 the need for additional review highlights the current capacity gaps within DLPP to fully drive forward such a cross cutting policy reform and without further support the transition from approval to implementation is liable to be slow and ineffective.

These policy developments do however have the potential to link with significant work done at the provincial and local level with regard to integrated land use planning. Within New Britain work supported through GEF4 as well as the Coral Triangle Initiative worked to develop a Ridge to Reef assessment for land use planning across the island as well as the development of a land use planning support tool (Environmental Land Value Information System (ELVIS)) that looks at both physical constraints to development across the island as well as the community- based value of key areas. A lack of follow up funding, limited training of key personnel on its use or provision of software and hardware for its operationalization combined with limited integration into development planning processes however has meant that the tool has not been fully utilized or developed since the end of the project. At the LLG and Ward level NGO?s have also supported action on localized land use planning and zoning. These initiatives have linked to community level agreements on land use management but have not been fully integrated with government planning systems and as such are limited in their sustainability / long term impacts and are vulnerable to reversal. This situation is even true for many conservation areas that have been initiated which while recognized by CEPA are not legally gazzetted and do not appear in provincial or district plans and are not included within land use information systems held by the DLPP. This disconnection between different processes and gaps in capacity and coordination both horizontally between different government departments and vertically between national and subnational government create significant barriers to the sustainability of land use planning activities as well as enhancing the risk of reversals or conflict linked to the issuing of leases or permits for other land uses.

Through the creation of a supportive policy framework and the experience of local level planning however, the baseline environment has created the opportunity for the current programme to support transformational change within the land use planning sector through bringing together of policy direction and local action and provision of technical support and capacity building for its implementation.

2. *Support to strengthening agricultural value chains* ? a number of initiatives has set out to strengthen the palm oil and cocoa sectors. Within the palm oil sector work through the FCPF programme looking at REDD+, identified the need to support action on development of a more coherent palm oil policy and sector. The project has worked to support the establishment of the

National Palm Oil Platform (PNG POP) and has also supported work to develop HCV risk maps ? mainly targeting New Britain Island - to help inform policy discussion on the potential expansion of palm oil and to enhance access of information to smallholders on what areas of their land can be utilized for expansion within certification schemes. The POP however remains at an early stage of development and requires further support to gain traction within the political decision-making processes in PNG and to strengthen engagement of new actors that have entered the sector.

Within the cocoa sector significant support has been mobilized through the Productive Partnership in Agriculture Programme (PPAP) under the World Bank, which has sought to support lead farmers in improving methods, adoption of improved planting stock as well as having access to small grants to develop key farm infrastructure. The programme has also supported the development of feeder roads and has worked to support policy processes in the sector as well. Work through the PHARMA project has also looked to increase the visibility of PNG cocoa globally and supported a number of bespoke deals between suppliers and buyers. The early progress of these projects has been recognised by updating and continuation of their programmes with the WB supporting the Partnership for Agricultural Commercialization and Diversification Project (PACD) and Australian Government supporting PHARMA+. While these projects have provided significant support within the cocoa sector they are limited in scale and reach with limited engagement within the process of policy coordination or creation of global market linkages. Neither project also looks to engage with the palm oil sector or address the integration of agricultural development into land use and development planning. As such while highly beneficial a significant gap exists with regard to helping to proactively address the impacts of agricultural expansion across PNG?s forest landscapes.

3. *Conservation and restoration* ? A number of initiatives has been launched to support further action on conservation and restoration. Through the GEF4 and GEF5 projects, support has been provided to the development of a Protected Areas Policy and PA Bill. A number of communities have also been supported in identifying priority areas for community-based conservation and a PNG specific METT has also been developed to more effectively monitor the progress of these sites as well existing PAs. An infringement monitoring tool has also been developed and is being trialed in a number of conservation areas to support the reporting of infringements by rangers. These projects have also helped to strengthen linkages between CEPA and the provincial governments. An MoU between the two provincial governments and CEPA has been signed committing the organizations to further collaborate and budget allocation towards environmental management ? the commitment to which was demonstrated through the establishment of environment and climate change divisions within the PA structures of both provinces.

The FOLUR project looks to address the above direct drivers of environmental degradation through targeting action on underlying drivers and barriers to change within the agriculture and land use planning sectors. This will be done by working with and building on existing and past projects and initiatives. With the core objective of the project *to reduce rates of agricultural driven deforestation and biodiversity loss and to establish a sustainable system of land-use planning to guide future land development activities, sustainable and resilient commodity/crop production and farming systems across Papua New Guinea.* The project is well aligned with PNG?s central national policy framework as well as international commitments.

3) Proposed alternative scenario with a description of outcomes and components of the project, and incremental / additional cost reasoning and expected contributions from the baseline

The relevance and feasibility of the proposed outcomes and outputs have been confirmed (Refer Figure 4 for Theory of Change and Section IV, of UNDP Project Document) through additional expert review and through extensive consultations during the preparation phase of the project (Refer Section IV ?Results and Partnerships?, Stakeholder engagement plan of UNDP Project Document). Project indicators and targets have been refined to more accurately represent the targets of the project as well as the realities of implementation. The below provides a summary of the project approach and theory of change and subsequently outlines the 4 main components in more detail including consideration of the proposed alternative scenarios while information on indicators is included in table 8 of the current document.

Summary of project approaches:

SLM approach:

1. It is vital to address the problems described in the previous section from a perspective that combines integrated landscape management (ILM) with a jurisdictional approach. ILM recognizes the landscape-wide nature of ecosystem flows and social and productive dynamics, while the jurisdictional approach recognizes the realities of the institutional frameworks within which planning is carried out and decisions are made.

2. The application of a landscape approach will maximize the environmental and social benefits and sustainability of the project, by considering and responding to:

? Spatial variations in environmental values, vulnerability, and productive potential, in order to ensure that land uses optimize net benefits across the landscape as a whole.

? Spatial flows of environmental services across the landscape (in particular, the potential downstream impacts of production and management practices in watersheds).

? Landscape-wide biological relations, such as connectivity and the need for wildlife refugia.

The potential indirect implications of land use dynamics (for example the risk of the expansion of cash crops/commodities into agricultural areas displacing food crop production pressures into forest areas).

Strengthening land and forest governance:

Improving the management of the target crops/commodities has the potential to generate environmental benefits on farm (see Global Environmental Benefits description below) and also to reduce the rates of conversion of forest to agriculture, if productive intensification reduces the area of land that needs to be used to satisfy demand for the crop and to meet economic development targets. The project will however recognize that if promoted on its own, without adequate safeguards, productive intensification has the potential to stimulate *increased* levels of productive activity ? thereby leading overall to increases in area coverage and forest conversion ? by making the crop/commodity in question more economically attractive[14]. In order to address this risk, the integrated approach of the project will ensure that actions to support improvements in productivity are always accompanied, and where possible preceded, by investments in strengthening land use planning, governance and market-based leverage as well as policy coherence to limit expansion into forest areas or other vulnerable ecosystems.

Strengthening local livelihoods:

Although the project will principally target the commodities of oil palm and cocoa, it will also consider how their production relates to the overall livelihood and food security strategies of the people living in the areas where they are produced. This approach will draw on the concepts of ?hybrid livelihoods? introduced by Anderson as a summary of how landowning communities in PNG have and need to maintain a diversified livelihoods strategy to ensure resilience to external and internal shocks[15]. Emphasis will be placed on agroecological diversified farming systems approach that integrates and balances the production of cash crops and food crops, non-agricultural economic activity, and off-farm income generation, with the aim of maximizing livelihood resilience, intra-family equity and social and environmental sustainability.

Transformative value chains and business practices:

The project will work extensively with both small-holders and those firms which purchase, aggregate and export target commodities from PNG as well at those companies importing produce from PNG. By supporting links along these value chains as well as working with government officials on the enabling policy environment the project will help to deliver transformative change through the value chain and crucially to the incentive structures for land owning communities within PNG. Central to this will be strengthening the relationships along the value chain and helping to drive long-term investments in PNG, which help to both provide strong income security to farmers as well as enhanced commitments to invest in sustainable supply from buyers. This approach is fully in line with the concepts of a Green Recovery from the impacts of COVID19 which have greatly impacted PNG?s agriculture sector through reduced access to markets and declines in global demand for both palm oil and cocoa. The

project will help to support a full transformation in the way investment and production is undertaken in PNG by:

? Strengthening relationships (through participatory assessment, consultation and planning processes, as well as commodity platforms and buyer groups)

? Improving the enabling environment for sustainable investment and production by strengthening the policies and regulations related to production

? Building tools and systems to enhance agricultural production and information on that production (through extension systems and improved traceability)

? Instilling the principles and approaches of sustainable development/sustainable livelihoods-oriented economic growth within the future COVID-19 recovery programme in PNG

Work will also be carried out to help facilitate stronger investment from downstream buyers within production landscapes to help develop sustainable value chains. Within this area the project will also work with other partners to assess and facilitate options for bundled investments that bring together a combination of interests such as those on carbon and biodiversity offsetting with sustainable production. In this way it will look at options for ?landscape? portfolio?s that are able to attract investor interest while helping to support local level production systems that feed into global supply chains. While many of these approaches have been identified and considered the key convening power of the project and capacity to facilitate linkages between private sector groups, government and development partners will be key to establishing approaches that are viable.

Inclusiveness and participation:

Delivering change in approaches to land use management and agricultural production require comprehensive approaches to stakeholder engagement that ensure full inclusion and participation of all. Within the PNG context this is even more significant given the importance of customary land holders within land use decision making along side government as well the influence of private sector in a highly underdeveloped and often opaque market. Throughout planning, development and implementation the concepts of inclusivity and participation will be central to ensure that all parties are engaged in the process of change and the speed and nature of that change is relevant to their context. Participatory land use planning processes that build on local knowledge as well as scenario assessments will be central to this process along with commitments to lead from the bottom up in line with PNG?s national planning strategies. These will be combined with participatory forums, in particular the palm oil and cocoa commodity platforms that will provide a multi-stakeholder space for review and discussion of new approaches while also helping to build capacity across stakeholders to ensure that are able to fully participate in decision making.

Participatory action learning:

At farming system level, the project will work with farmers in a participatory ?action learning? approach (using the model of farmer field schools) to help develop and revise training approaches that are compatible with the local context. This approach will also focus on equipping farm families to monitor and respond to evolving circumstances in an ongoing, adaptive manner: for example, by recognizing the volatility and vulnerability of global cash crops and ensuring the maintenance of a diverse and flexible production system and by continually experimenting with strategies for adapting crop management to the effects of climate change.

The project will also facilitate peer-to-peer learning exchanges to successful areas across PNG to help farmers share knowledge and gain insight not only into specific production or certification systems but how these processes are managed and engagement between communities, companies and government occurs.

The integrated learning process will also be facilitated through integration of land use and development planning processes from bottom to top levels of government with opportunities for learning on how planning is done from a technical and community perspective and how this influences production systems will also be critical to enhancing sustainable approaches to landscape management.

Systems leadership:

Achieving progress on the sustainable development agenda requires a departure from traditional top-down, hierarchical, and linear approaches to implementing change. Instead, it requires innovative and adaptive approaches that engage broad networks of diverse stakeholders to advance progress toward a shared vision for systemic change.

This approach is often called Systems Leadership. Researchers at Harvard recently defined Systems Leadership[16] as a set of skills and capacities that any individual or organization can use to catalyze, enable and support the process of systems-level change, comprised of three interconnected elements:

i. **The Individual**: The skills of collaborative leadership to enable learning, trust-building and empowered action among stakeholders who share a common goal.

ii. **The Community**: The tactics of coalition building and advocacy to develop alignment and mobilize action among stakeholders in the system, both within and between organizations.

iii. **The System**: An understanding of the complex systems shaping the challenge to be addressed.

The current GEF FOLUR Impact Programme strategically seeks system transformation, and it is thus essential that all of these three factors are enabled in the programme. Development approaches previously have often ignored the individual leadership capacity and not invested appropriate in the community building around a shared vision for systemic change. This approach is particularly relevant in the PNG context where many official government and private sector institutional structures remain weak and individual leadership has a strong role in driving decision-making and change within both customary and government channels. The approach is also well suited to the multi-level decision making processes present in land use planning within PNG where national plans and targets must be guided by bottom- up planning process that occur from the ward level up through districts and provinces to the national level and are themselves steered by decision making by customary landowning communities. As such the opportunities for impact from a diverse range of actors within such a decision- making landscape is significant and exceeds many traditional top- down approaches to change.

Theory of Change:

The project?s theory of change is fully in line with that of the global FOLUR programme and centres on the need for integrated and supportive actions across approaches to:

? Integrated Landscape Management Systems (Component 1 of the current project),

? Promotion of sustainable food production practices & responsible commodity VCs (Component 2 of the current project),

? Conservation & restoration of natural habitats (Component 3 of the current project) and

? Global Coordination and Collaboration (Component 4 of the current project)

In order for incremental GEF resources to act as a catalyst for transformational change by providing government officials, decision makers, agricultural producers, buyers and exporters with not only the awareness of what action can be taken to reduce deforestation but also the tools to undertake them and crucially a supportive policy and economic enabling environment that will incentivize change.

The project will deliver this through actions under the relevant components:

Component 1: Development of integrated landscape management systems

Actions under this component focus on establishing national and subnational policy, regulatory and operational systems that will help create a framework within government that provides positive incentives and guidance for sustainable land use planning while also addressing incoherent policy approaches to land use governance. This land use planning will result in improved land management that results in deforestation aversion and ecosystem preservation and restoration. By supporting work to clarify legislation and create a regulatory framework for the NSLUP (Output 1) while also building the tools for its implementation (Output 2) and the capacity of stakeholders to do this (Output 2 and 3) as well as fully integrating, through a participatory process SLM into jurisdictional plans within the target landscape (Output 3) the project will help to address key drivers of unsustainable agricultural expansion that damages ecosystems as well as barriers including weak participatory land use planning and landscape management processes, and conflicting and disconnected polices as well as insufficient institutional capacity on landscape management. While also helping to deliver landscapes & production systems with:

? improved sustainable land management practices,

? clarified inst. mandates & compatible incentives

? reduced conversion and degradation of forests & natural habitats

Component 2: Promotion of sustainable food production practices and responsible value chains to reduce land stress and avert degradation and deforestation

Actions under this component focus on supporting the establishment of a supportive policy environment within the target sectors as well as building the capacity of producers and buyers to effectively engage in sustainable supply chains. Central to this approach is the use of commodity platforms for cocoa and palm oil (Outcome 2 of the current project) that will bring together key private sector actors with government and civil society representatives to provide a multi-stakeholder environment in which discussion can occur and a shared vision for the sectors be achieved that will then lead to policy and regulatory reforms that improve environmental sustainability in target areas. This approach is supported by the use of systems leadership training that will work to provide capacity building to a central cadre of stakeholders that have the capacity to deliver change and by being empowered through adoption of a systems leadership approach will help to catalyze change through key project pathways. The commodity platforms will have inputs from as well as guide the implementation of the other Outcomes including Outcome 3 whose actions target an inclusive process to improving the nature and quality of extension services including the development and roll out of training and capacity building materials to farmers on improved techniques (including CPB management) and land management which encourages in improved efficiencies to reduce further deforestation and land degradation and improve the sustainability of farming practices. Outcome 4 which focuses on undertaking capacity building support on small-business management skills, enhanced traceability systems, as well as establishment of a global-buyers group that will combine to

help link more small-scale producers into global sustainable value chains as well as increasing the uptake of certification systems. By undertaking these actions in close collaboration with the private sector and government the project will also help to establish systems that are sustainable and fully market ready as well as developing networks that have the capacity to deliver change beyond the project lifetime. These approaches will help to address key drivers of *Knowledge Gaps, Unsustainable practices*, *Unresponsive supply chains* and *Access to finance*. As well as barriers*, Conflicting and misaligned policies, Limited institutional capacity and coordination***,** and *Limited participation of all groups within decision-making*. While also helping to deliver commodity & food production systems with:

? An increase in producers investing in sustainable, responsible practices

? Clarified institutional mandates, policies & incentives

? Enhance engagement of global markets with PNG.

And, commodity value chains with:

? Responsible sourcing of commodities that avert deforestation and land degradation

? More investment in sustainable practices

Component 3: Conservation and restoration of natural habitats

Actions within this component focus on strengthening the governance and institutional capacity for conservation and restoration of natural habitats within production landscapes. Actions work to provide strengthened systems and tools for as well as providing capacity building to support enhanced monitoring and enforcement of environmental infringements (Outcome 5, Outputs 1 and 2) as well take action on restoration (Outcome 5, Output 3). These actions will help to strengthen tools for land restoration as well as monitoring and enforcement of environmental and sustainability regulations. Actions will also be undertaken, through Outcome 6 to build the capacity of stakeholders to enhance action on conservation and set aside and ensure that these areas are effectively managed through the development of participatory land use management plans. These elements will address key drivers including *Knowledge Gaps*, *Unsustainable practices* as well as barriers of; *Weak and fragmented planning processes for land use management, Limited institutional capacity and coordination* and *Limited participation of all groups within decision-making.* While also helping to deliver landscapes & production systems with:

? Increased restoration for agricultural & environmental services

And

? Commodity & food production systems with:

  ? Environmental standards and legislation enforced

Component 4: Knowledge management and impact monitoring

Actions within this component focus on ensuring that an effective impact evaluation, M&E and knowledge management structure is in place as well as providing support to key stakeholders to effectively participate in and contribute to the global FOLUR community as well as the regional FOLUR exchanges, in particular with Malaysia and Indonesia. These actions will ensure that information is synthesized to guide future scaling up of actions, strategies, policies for achieving deforestation free & sustainability commitments are consolidated and shared, and that innovative knowledge-sharing and communication products are developed to improve efficiency, effectiveness and sustainability of these programs. Furthermore, PNG FOLUR will also benefit from various policy guidance notes, training materials, capacity building and related technical supports from the global FOLUR, regional FOLUR program and other domestic FOLUR work programs. The Project will be supported by the use of systems leadership training that will work to provide tailored capacity building to a central cadre of stakeholders (especially including youths and women) that have the capacity to deliver change and by being empowered through adoption of a systems leadership approach will help to catalyze change through key project pathways. These elements will help to address key drivers of *Knowledge Gaps,* and *Unresponsive supply chains* as well as barriers of: *Limited institutional capacity and coordination* and *Limited participation of all groups within decision-making.* While also helping to deliver uptake of lessons, tools, innovations.

These elements will all work synergistically to help deliver transformational change towards the project?s longer-term impacts as well delivering global environmental benefits. Central to all of these approaches will be the concepts of multi-stakeholder engagement and the implementation of actions through participatory processes. The below figure provides a summary of these elements:

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[1] World Bank Group. (2017) Papua New Guinea Economic Update December 2017: Reinforcing Resilience. World Bank Group.

[2] World bank country overview https://Pisin.worldbank.org/en/country/png/overview

[3] World Bank Country Profile https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=Pisin&dd=Pisin&inf=n&zm=n&country=PNG

[4] GoPNG (2018) Medium Term Development Plan Three 2018-2022

[5] See Oil Palm Annex

[6] By value

[7] See Oil Palm Annex

[8] Lescuyer et al., 2018. Value Chain Analysis of the cocoa industry in Papua New Guinea. CIRAD-CIFOR Report, Final version of 22th November 2018 (in Cocoa Annex)

[9] Lescuyer et al., 2018. Value Chain Analysis of the cocoa industry in Papua New Guinea. CIRAD-CIFOR Report, Final version of 22th November 2018

[10] *Ibid*

[11] AECOM (2017) PNG Specialty Cocoa Market Study available at http://phama.com.au/wp-content/uploads/2018/02/TR107-PNG-specialty-cocoa-market-study.pdf

[12] ENB production levels were previously close to 40% of national

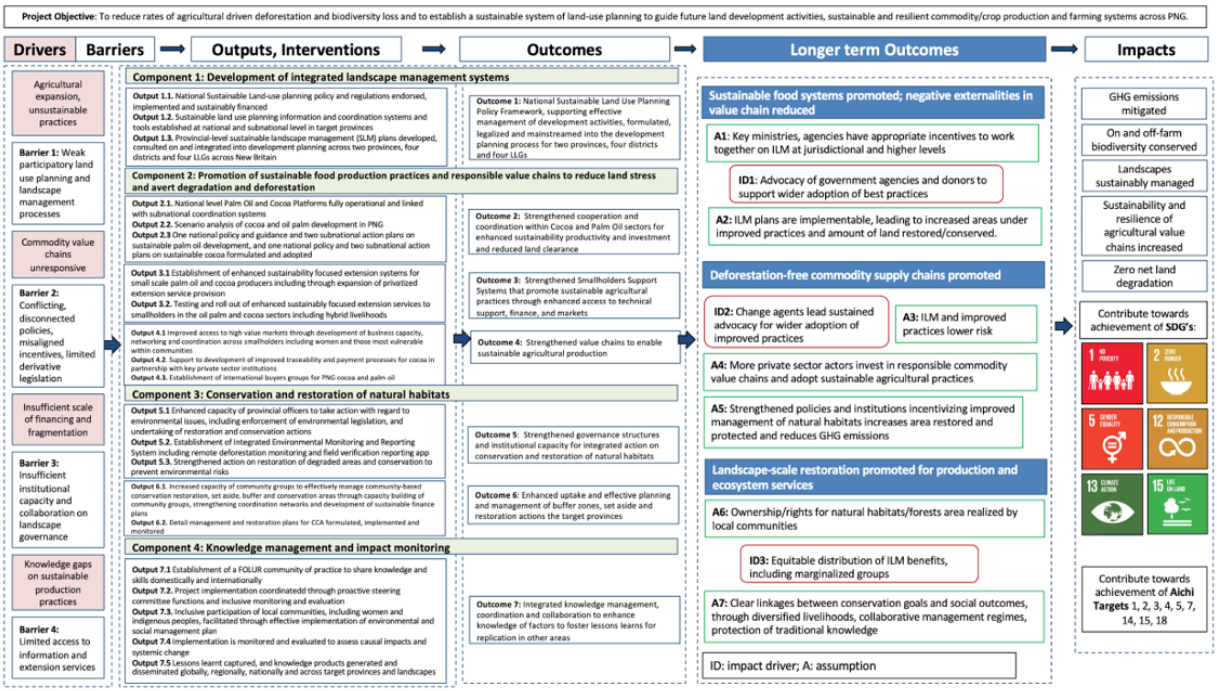
[13] https://reliefweb.int/sites/reliefweb.int/files/resources/verisk%20index.pdf

[14] The **Jevons paradox,** when technological progress or government policy increases the efficiency with which a resource is used, but the rate of consumption of that resource rises due to increasing demand.

[15] Anderson (2015) 'Papua New Guinean Ways': hybrid livelihoods and human development, Waigani Seminar 2015, Port Moresby. Available at https://www.researchgate.net/publication/281181428_%27Papua_New_Guinean_Ways%27_hybrid_livelihoods_and_human_development

[16] Dreier et al (2019) **Systems Leadership for Sustainable Development:** *Strategies for Achieving Systemic Change.* Corporate Responsibility Initiative at the Harvard Kennedy School available at https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/files/Systems%20Leadership.pdf

Project Document Figure 2: Project Theory of Change



Project objective: To reduce rates of agricultural driven deforestation and biodiversity loss and to establish a sustainable system of land-use planning to guide future land development activities, sustainable and resilient commodity/crop production and farming systems across Papua New Guinea.

To achieve this objective, the project will utilize four general strategies (Project Components) with intervention pathways described in the theory of change diagram: The project?s theory of change is fully in line with that of the global FOLUR program and centrers on the need for integrated and supportive actions across approaches to:

- Integrated Landscape Management Systems (Component 1 of the current project),
- Promotion of sustainable food production practices & responsible commodity value chains (Component 2 of the current project),
- Conservation & restoration of natural habitats (Component 3 of the current project), and
- Global Coordination and Collaboration (Component 4 of the current project).

In order for incremental GEF resources to act as a catalyst for transformational change by providing government officials, decision makers, agricultural producers, buyers and exporters with not only the awareness of what action can be taken to reduce deforestation but to also the tools to undertake them and crucially a supportive policy and economic enabling environment that will incentivize change. The project will deliver this through actions under the relevant components.

Component 1: Development of integrated landscape management systems

This component focuses on delivering and integrated approach to land-use planning and management that brings together biophysical information with community knowledge and government planning processes. It builds on and catalyzes early action by the DLPP at the national level on the development of the NSLUP as well as action by NGOs (including those supported by GEF4 finance in PNG) to develop local land use plans and landscape level land use information systems. Without the addition of the current project, however, these initiatives are unlikely to be able to deliver on the system level change required or to provide adequate support to groups from the national to local level to ensure that a new system is fully operational and effective.

Thus, while baseline work by DLPP will be critical in leading consultation processes and design of revised legislation and a land use planning system additional finance and technical support through the current project will ensure that there is full and effective consultation on these developments, that fully engages land owning communities as well as those most vulnerable in communities including women, youth and those with disabilities and that technical approaches are in line with international best practices. Similarly, at the subnational level existing and future work by NGOs will be critical in strengthening and maintaining community participation as well as bringing in local knowledge and experience but will require the current programme to ensure that local approaches help to inform and are integrated within national and provincial systems while also helping to provide key technical solutions (such as tablet-based mapping tools) and capacity building to ensure that key barriers are overcome. The component is structured through a single outcome that brings together work on policy and regulation, with technical and operational systems for planning and their practical application on the ground to both develop and operationalize a system for integrated landscape management in PNG.

Outcome 1: National Sustainable Land Use Planning Policy Framework, supporting effective management of development activities, formulated, legalized and mainstreamed into the development planning process for two provinces, four districts and four LLGs

The outcome will be led by the DLPP in close coordination with other key national entities including DNPM, DPLGA, DAL, CEPA, CCDA and PNGFA to both develop and operationalize a system for sustainable land use planning in PNG. Through its work the project will build on the baseline investment of DLPP in policy and legislative development to support broader consultation as well as provide international and national level technical support to both the design and development of regulations (Output 1.1.) and an information management and mapping system (Output 1.2).

Through early action to test the regulations and systems at sub-national level (Output 1.3) the project will also build on baseline investments by NGO?s in development of site-specific land use plans as well as action by the Provincial Governments to support improved development planning and enhanced commitments to sustainable development. Without investment from the project coordination between these groups is expected to be limited resulting in fragmented, under resourced and often conflicting approaches to land use and development planning that do not fully engage land owning communities and vulnerable groups within these communities including women, youth and those with disabilities. By bringing groups together and providing additional technical and operational support, the project will strengthen the planning processes across two provinces, four districts and four LLGs with the total area impacted by the improved planning processes totaling to 3,330,890 ha (2,690,870 ha outside the existing conservation or protected areas). These actions will link closely with the developments at a national level of the policy and regulatory framework and information management system and land use planning tools to allow for an approach to integrated land use and development planning to be trialed, strengthened and delivered. This combination of legislative framework, information systems and tools and case study example will be critical in demonstrating the potential of the approach and thus helping to secure future budget allocations and political commitments to its scaling up to other provinces and areas of PNG.

The results expected through achievement of Outcome 1 is:

- One national regulation approved by NEC and supporting guidance approved at department level and two provincial policies and regulations passed at PEC level and supporting guidance developed.

The baseline situation and incremental reasoning for Outcome 1 are summarized below.

Summary of baseline situation for Outcome 1	**Incremental reasoning**
Output 1.1. National Sustainable Land-use planning policy, guidance and regulations endorsed, implemented and sustainably financed	

Draft NSLUP is supported through existing development partner programmes to pass through NEC. A lack of sufficient budget and capacity, however, mean that DLPP are unable to effectively consult other line agencies and national and subnational stakeholders on the details of its application. Limited consultation or knowledge of international best practice result in slow development of regulations and potential conflict across agencies despite DLPP?s efforts resulting in the implementation of the policy being significantly delayed or abandoned. This situation will be exacerbated by a lack of resources and capacity to effectively develop an information management system and / or develop a clear case study example of how integrated planning can be delivered (these elements are addressed in Outputs 1.2. and 1.3.)	The GEF alternative provides targeted support for DLPP to establish the regulatory and operational foundation to implement the NSLUP in the country. Through extensive multi-stakeholder and cross sector engagement this approach will help to strengthen the land use planning framework. Land use governance, the spatial and sustainability criteria will be integrated into the national planning and budgeting frameworks such as under the PNG Planning and Monitoring Responsibility Act. Under this output, the GEF alternative will provide technical support to help the governments address policy incoherence through the establishment of a technical working committee that will focus on how integrated land use planning will be done and how this should be linked with sector policy approaches. Additionally, the ?Green Development? incentive systems will also be explored and advocated to upscale sustainable supply chain related efforts, as well as application of sustainable landscape management.by providing a base for land use decision making. Full integration of this with permitting processes and sector plans will help to guide stronger regulatory enforcement and in improve policy coherence as better land use management is incentivized and clearer information on bottom-up planned land uses becomes available. A case study for NSLUP implementation in the New Britain Island will be developed to enable replication in other areas across PNG. The case study will inform stakeholders of legal requirements, as well as their roles and rights in land use planning process.
Output 1.2. Sustainable land use planning information and coordination systems and tools established at national and subnational level and within target provinces	
Efforts are made to strengthen existing information and coordination systems. Limited resources and technical capacity limit the scope of these actions resulting in limited data coordination and sharing between key agencies and development of additional information management systems in isolation, resulting in challenges of compatibility of information as well as existence of overlapping land use claims.	The GEF alternative provides targeted support to the DLPP to help bring together different stakeholders and information systems to develop an integrated and user-friendly system. By demonstrating clear benefits from data sharing and the ?usability? of systems there is increased by in from line agencies and finance from central government. Development of field level information management tools also drastically increase the speed of information flow from field to national level helping to identify and address conflicting and completing land use allocations.

Output 1.3. Provincial-level sustainable landscape management (SLM) plans developed, consulted on and integrated into development planning across two provinces, four districts and four LLGs across New Britain	
DLPP are unable to trial and roll out a demonstration area for integrated land-use planning. Information on the approach thus remains limited with ongoing efforts by NGO?s and other groups occurring in isolation and not feeding into a central and integrated system.	The GEF alternative provides incremental support to introduce a consolidated and systemic approach to land use prioritization and development planning across the New Britain Island, based on scientific information, combined with socio-economic conditions in the landscapes. This will be done through participatory discussions and consultations with various stakeholders in the landscapes as well as the integration of key assessment tools including HCV/HCS assessments and TSA of potential development scenarios. By bringing different groups together through these processes the project catalyzes significant levels of investment as well as helping to integrate enhanced agricultural, land use and development planning through the blend of components. The tangible demonstration of an integrated planning approach that will ensure legal protection of currently unprotected key HCV/HCS areas (i.e., outside sites legally designated as protected/conservation areas by the government) as well as information on the extent and nature of such areas within a PNG landscape will help to build policy momentum at the national level as well as providing a case study on which other provinces can build.

Output 1.1. National Sustainable Land-use planning policy, guidance and regulations endorsed, implemented and sustainably financed

The output will be coordinated with technical inputs from DLPP will focus on establishing the regulatory and operational foundation to implement the NSLUP. This will be achieved through extensive multi-stakeholder and cross sector engagement focused on enhancing the coherence of a regulatory and subsequently a policy approach to land use governance. The approach will integrate land use governance and spatial and sustainability criteria into the national planning and budgeting frameworks such as under the PNG Planning and Monitoring Responsibility Act. The ?Green Development? incentive systems will also be explored and advocated to upscale sustainable supply chain related efforts, as well as application of sustainable landscape management. By providing this base for land use decision making, including full integration of this with permitting processes and sector plans will help to guide stronger regulatory enforcement and in improve policy coherence as better land use management is incentivized and clearer information on bottom- up planned land uses becomes available. This will be done through undertaking action on a number of fronts. The key deliverables/results consist of:

- NSLUP Implementation Committee established and in operation.
- Communications products developed and capacity building provided to strengthen understanding of how land use planning can be operationalized and financed at different scales.

- *National regulations and guidance documents to guide how the NSLUP will be implemented ?* these will create the framework for the implementation of the NSLUP and will link with existing frameworks for land use planning as well as those for development planning in particular those laid out under the PNG Planning and Monitoring Responsibility Act. They will include both guidance on the planning process (e.g., ensuring full FPIC of communities and engagement of women and other vulnerable groups) and criteria for the assessment of plans that can to budget allocations within the existing planning framework providing the foundations for a ?Green Development? incentive system that can be included in Provincial / District / LLG budgets based on actions to maintain environmental integrity including levels of forest cover. Such approaches will link closely with the work of the GEF-6 project looking at conservation and environmental finance as well as PNG?s progress towards REDD+ results-based finance and how such systems can be effectively integrated into domestic planning and implementation.

- Guidance documents will be tested at these levels and will further be formalized into guidance and regulations for implementation of the NSLUP under the Physical Planning Act, with relevant linkages and amendments also made to the PNG Planning and Monitoring Responsibility Act (to link spatial elements of development planning) as well as relevant sector acts including the Environment Act, Mining Act and Oil and Gas Act and Forestry Act with regard to how specific land use projects are assessed and permissions granted. The regulations will also ensure to identify how to support the full and effective participation of all stakeholders in planning processes, including land owning communities and vulnerable groups within these communities including women, youth and those with disabilities, as well.

- *Provincial policies and regulations developed on land use planning or land use change ?* subnational policies and regulations will also be formulated to both help guide the approach to planning and to strengthen the application and enforcement of SLM plans including elements such as enhanced restrictions on conversion of primary forest to other land uses. This approach will help to form the basis for enhanced policy coherence.

- *Sustainable financing and incentives plan for NSLUP developed* - this will review options to both finance operational elements of the planning process and to develop an incentive framework to encourage jurisdictions and key actors to undertake and implement plans. This will include ? options for *reduction in taxes / amendments to subsidies for companies ad-hearing to internationally recognized sustainability standards* including requirements for zero deforestation or removal of subsidies / tax breaks for companies that do not comply with domestic, provincial or international sustainability standards and *Links between PA financing and sustainable commodity production* particularly within Community Conservation Areas.

The achievement of these elements will be led by DLPP and coordinated through the NSLUP implementation committee that will be established at national level and will include representatives of key line agencies, subnational governments, private sector and civil society groups. Indicative activities will include:

No.	Activity description	National level	West NB	East NB
1.1.1.	Establish and operationalize the NSLUP Implementation Committee	X		
1.1.2.	Develop awareness raising materials, including those in local languages and convene events on NSLUP to increase awareness and support adoption across government	X		
1.1.3	Review the existing legislations to identify how to coordinate sector-based approaches to land use planning and how to integrate with subnational planning process and how these can be finance	X		
1.1.4	Review the existing land use planning approaches through government / NGOs / PS / Communities and challenges/ opportunities to foster integration within government?s recognized land use planning processes including identification of key zoning categories and their implications	X		
1.1.5	Develop guidance and regulations for ward, LLG, district, provincial and sustainable land use planning and its financing	X		
1.1.6	Ensure close coordination and advocacy with the relevant government agencies to ensure the endorsement and adoption of these guidance and regulations	X		

Output 1.2. Sustainable land use planning information and coordination systems and tools established at national and subnational level and within target provinces

The key deliverable of this output is the establishment and operationalization of a central information management and coordination system within the DLPP, which will enable effective sustainable land use planning and link this system with operational capacity and tools at the national and subnational levels to support operational land use planning at the subnational level.

The information management system will be designed and developed to be operational at a number of scales and to integrate information across sectors and sources. Key elements will include:

- *A core database and spatial visualization system* ? this will bring together a number of existing information held by DLPP on where different permits have been issued and land registered with bio-physical information including soil types, elevation and forest types that are currently held within PNGIS.

- *A system for linking information from different sector sources* ? this will include the National Forest Monitoring Portal, MRA cadastral mapping system and other sources such as work done on

ELVIS or multi-criteria mapping in Madang to allow for visualization of these different data layers through a single use interface. Consideration will also be given to linking the system with international data sources as well as the remote deforestation monitoring system to be developed under Output 5.2.

- *A tool for easily extracting spatially explicit and location specific information to support land use planning* - Spatially explicit information on development activities across landscapes is extremely limited with spatial elements often not considered within development planning activities. Development of a system to allow for easy visualization of key considerations including elements such as physical constraints (topography, rivers etc), ecosystem services and values, likely population growth, future climate scenarios, existing concessions and other elements would help strengthen action by planners as well as allow communities to make more informed decisions about land use and potential land use change. The tool will work to provide a simple interface to display different information on the attributes of an area and potential impacts and benefits of different future land uses. To ensure it is functional within a PNG context the tool will need to be able to be used by operators with limited past GIS or IT training and be able to be operated on a range of devices while also being able to operate with limited internet connectivity.

- *Capacity building of a core group of operators at the national and subnational level capable of utilizing information and tools.* The systems will be designed to ensure that they can be operated with only a limited level of technical expertise but significant capacity building will be required to ensure that users at different levels within the systems, from those working at field level on land use plans to those managing the central information hub have capacity to operate, manage and update information effectively.

- *Development of a sustainable financing strategy to ensure regular updates and maintenance of tools ?* the system will be designed to use low cost but effective operating systems but will require financial commitments in terms of staffing, additional technical support, and software/ hardware maintenance to ensure its sustainability over a longer time period. This process will work to look at how the system can be effectively financed through both line agencies and DLPP based on potential cost savings from adoption of technological systems as well as review of use of permitting.

The system will be developed through a consultative process that will bring together key government agencies as well as other key stakeholders and potential data providers. With an early focus on ensuring strong buy in and commitments to data sharing across lead agencies. A technical working group will be established that will work under the NSLUP working group noted under Output 1 with data sharing MoU?s established across agencies to facilitate data management. The system will be designed to build on and update existing but outdated data management systems within DLPP. Thus, while it is anticipated that there will be additional operational costs it is anticipated that these will not be significant and may actually allow for savings through reduced operational costs of manual data management systems.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB

1.2.1.	Convene series of consultations on the design, including user-needs assessment, and development of information hub	X	X	X
1.2.2.	Support the establishment of a cross sector NSLUP technical working group focused on hub development	X		
1.2.3	Support the technical development of hub including purchase of equipment, and SOP for the hub	X	X	X
1.2.4	Provide capacity training for the key government officers on the SOP of the hub	X	X	X
1.2.5	Develop communication materials and convene events on awareness raising on hub	X	X	X
1.2.6	Identify sustainability strategies for the hub?s operations including financing	X		

Output 1.3. Provincial-level sustainable landscape management (SLM) plans developed, consulted on and integrated into development planning across two provinces, four districts and four LLGs across New Britain

This output will focus on the formulation and adoption of SLM plans across the two target provinces that will help to guide land use decision-making and conserve priority areas for conservation. As there are currently no specific legislative requirements for the conservation of HVC/HCS forest the project will work to identify priority areas and ensure that these are zoned for improved protection while also helping to inform the planning and regulatory process on how best HCV/HCS conservation can best be regulated within the PNG context. The key deliverables under this output include:

- HCV maps for two target provinces
- Land use and development scenarios that take into account the distribution of remaining HCV/HCS across the two provinces.
- TSA development pathways assessing different policy and land use management instruments including establishing legal definitions for HCV/HCS criteria.
- Awareness raising or communications products on sustainable landscape management plans.
- Clear spatial SLM plans that support and are integrated into the development plans of two provinces, four districts and four LLGs across New Britain Island.

Under this output, the project will, through a participatory process, develop provincial level SLM plans for ENB and WNB that will be utilized to guide land use and development planning processes across the island. The approach to plan development will follow PNG?s top- down bottom- up approach with consultation and land use mapping and development planning at ward level feeding into and guiding LLG, district and provincial plans while these local level plans will also be informed by and national, provincial and district strategies. In addition, the project?s technical support will allow for the integration of information on the costs and benefits of different land uses within different areas

(through updating and integration of the existing Environmental Land Value Information System (ELVIS)[1] and integration of information from a scenario- based process at the provincial level) into the planning process. This integrated process will help to inform development and revision of land use and development plans as well as bring together learning from past experience identified within output 1.1. and the testing of information systems developed under Output 1.2.

Initial action will focus on the consolidation of information and development of a framework of assessment and planning that will build on the approaches developed by the High Conservation Value Resource Network (HCVRN). Use of this framework, adapted where necessary to the PNG context, will help to provide a clear system through which consultation on land use zoning can be undertaken with different stakeholders and will allow for customary knowledge and interests to also be aligned with scientific assessments of ecological and ecosystem values. Through this process, the project will ensure the ***legal designation*** of at least 200,000 ha of currently unprotected priority HCV/HCS for conservation and limited cultivation (?set-aside? areas) in the production landscapes (i.e. areas outside PA/CA) across New Britain. And in addition to strengthening the management of the entire production landscapes within ENB and WNB, the SLM plans will ensure the designation of at least 21,494 ha of HCVF for complete conservation (or no-cultivation area), which comes from mainly the set-aside areas, to avoid further loss of HCVF. Lastly, the SLM plans will also ensure the designation of at least 50,000 ha of agriculture and forest lands for restoration, which detail interventions will be outlined under Component 3.

By utilizing the HCV/HCS maps, the project will develop at least three land use/development scenarios, including a Business as Usual (BAU) scenario (looking at maintaining the existing trajectory of change and linking with proposed development plans), a high conservation and environmental protection scenario (focused on maximizing conservation and environmental protection above other actions and a ?no regrets? scenario (focusing on ensuring key environmental services and high value conservation areas are conserved) to consider the potential impacts of different development pathways over a 5, 10 and 30 year time frame to coincide with existing government time horizons (5-year midterm development plans, ten year strategic plans and NDC with 30 years linking with Vision 2050).

Scenario development will bring together existing subnational and national plans, information on private sector development and economic priorities, and social cultural information and information on the current state of the environment and potential impacts of climate change within the provincial context. Particular attention will be paid to potential development pathways for cocoa and oil palm with this work also feeding into a scenario assessment of their development across PNG (Output 2.2.) as well as feeding into the development of specific provincial strategies for their development (Output 2.3.). This process will be developed into a targeted scenario analysis (TSA), which will provide indicative costs and benefits of the proposed development pathways and will be integrated into the spatial planning tool developed under Output 1.2. to allow for a spatial representation of potential development pathways and impacts.

Trade-offs for macro-economic, environment and social indicators will be estimated, and through multi-stakeholder dialogues and consultations key elements of a future development trajectory at provincial, district and local level will be identified along with the required enabling conditions to support this. This process will be linked directly with development of land use plans which will be

undertaken in parallel and will be led through the Office of the Provincial Administrator and operationalized through a development planning working group which will provide regular updates on proposed scenarios and findings presented to the Provincial Executive Committees of the two provinces. Technical inputs will be coordinated through the development planning working group as well as the provincial Environment and Climate Change divisions, agriculture working groups and provincial forest management committees to ensure a complete picture of potential development pathways is developed and that that there is full understanding of outcomes of the assessment. Through the process a particular effort will be made to ensure the effective participation of a range of stakeholders including stake and rights holders from the cocoa and palm oil sectors (linking with outcome 2) and those representing local government and land-owning communities. To support this, the project?s target districts and LLG?s will be utilized as more in-depth case studies with assessment and actions are undertaken within these areas to fully engage with the DDA?s, and LLG as well as community and private sector representatives.

The end results of the selected development pathway/scenario will need to ensure the following: (i) designation of ?set-aside? of 200,000 ha of productive landscapes for complete protection, (ii) improved management of productive production landscapes of at least 2,690,870 ha to benefit biodiversity.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
1.3.1.	Support awareness raising across provincial, district and LLG officers and other key stakeholders on nature of plan development as well as potential impacts of unsustainable land use on future development within the provinces		X	X
1.3.2.	Conduct the landscape level HCV/HCS mapping for two target provinces		X	X
1.3.3	Through participatory process and building on HCV/HCS mapping work conducted and ELVIS tool will be utilized to develop potential land use and development scenarios linking existing targets and stated objectives with potential changes in land use development at provincial, district levels.		X	X
1.3.4	Develop a TSA of different development pathways building on existing information and assess the impact of different policy and land use management instruments		X	X
1.3.5	Conduct public consultations on the draft scenarios with TSA results, revise findings and identify key elements of a proposed scenarios for adoption within Provincial and Local level planning processes.		X	X

1.3.6	Support the operation of multi-stakeholder engagement process in development plan development including operation of cross sector and planning committees for plan revision at provincial level		X	X
1.3.7	Provide technical support to revision of plans at district, LLG and Ward level development plans and development of land use plans including consultation processes, mapping activities, drafting and baseline data review and assessment		X	X
1.3.8	Support the establishment of information management and monitoring system, which brings together information from different technical line agencies and committees, to help improve cross sector and non-governmental access to information; this activity will link closely with technical support provided to information system development under Output 1.2.		X	X

Component 2: Promotion of sustainable food production practices and responsible value chains to reduce land stress and avert degradation and deforestation

Component 2 will support action towards the projects long-term objectives to promote sustainable food systems that reduce negative externalities within the value chain and to promote deforestation free supply chains. It will build on the policy objectives of the DAL of increased levels of productivity as well as those of the cocoa board to increase levels of certification and enhanced differentiation of PNG cocoa while also helping to strengthen policy and regulations for agricultural expansion and improve farming techniques to help deliver significant impacts linked to global environmental benefits. It will also work closely with key projects already operating especially PHAMA and PACD within the cocoa sectors to ensure a fully integrated and coherent approach across the sectors. This will be achieved through three outcomes that focus on the policy and coordination context (Outcome 2), support to farmers through enhanced extension services (Outcome 3) and support enhanced access to high value markets (Outcome 4). These outcomes provide a key incremental benefit to existing initiatives through actively strengthening multi-stakeholder processes and networks and building stronger linkages with international markets as well as participatory assessments of existing challenges. These approaches combined with targeted technical inputs (linked for example, to policy reform and approaches to sustainably finance extension services) and operational support (e.g. through support to action on traceability systems, and HCV/HCS mapping products) are critical in catalyzing the baseline investments to ensure that change is implemented at scale and system wide with different stakeholder groups bought together in the development of a shared vision for the sectors and how that vision will be operationalized at the national and provincial levels.

Outcome 2: Strengthened cooperation and coordination within Cocoa and Palm Oil sectors for enhanced sustainability productivity and investment and reduced land clearance

The baseline situation and incremental reasoning for Outcome 2 are summarized below.

Summary of baseline situation	**Incremental reasoning**
Output 2.1. National level Palm Oil and Cocoa Platforms fully operational and linked with subnational coordination systems	
Initial work on the development of a Palm oil platform loses momentum, as there is lack of financing and technical support to move the process forward and gain additional traction. Multi-stakeholder coordination in the cocoa sector remains limited. In both cases the situation results in ongoing issues of fragmented policy development and action and significant gaps between PS interests, government policy and community / producer needs.	The GEF alternative provides incremental support to take early progress on the development of the PNG Palm Oil Platform as well as Cocoa Working Group and establish fully functioning spaces for multi-stakeholder dialogue within the palm oil and cocoa sectors. Moreover, these platforms will provide a critical space for technical inputs developed through Component 2 to be discussed and developed helping to build a cadre of stakeholders with a shared understanding of the potential impact of the sectors on PNG?s environment and a vision of how they can be developed sustainably allowing for the development and implementation of policies and action plans (Output 2.3) that are technically strong, have high stakeholder buy in, integrate key environmental considerations and can be effectively implemented. Through maintaining individual spaces for discussion, the platforms will allow for commodity specific technical and institution issues to be addressed while close coordination between groups will allow for cost sharing on assessment and information, as well as enhanced traction for key reforms through coordinated action.
Output 2.2. Scenario analysis of cocoa and oil palm development in PNG	
Work to develop and revise palm oil and cocoa policies and actions plans continue but low levels of understandings of the potential costs and implications of different policy decisions result in development of policies and actions plans that will result in high levels of negative externalities linked to costs of environmental degradation and loss of environmental services as well as future market access.	The GEF alternative provides incremental support to capture information on the potential costs and impacts of different policy decisions on oil palm and cocoa development and present them clearly to decision makers. This will support the development of effective policy and action plans that consider the social, environmental and economic values of different policy decisions.
Output 2.3 One national policy and guidance and two subnational action plans on sustainable palm oil development, and one national policy and two subnational action plans on sustainable cocoa formulated and adopted	

Work on the development of a policy on palm oil and updating of cocoa policy as well as development of action plans and guidance at national and subnational level continue but with limited horizontal or vertical consultation. Limited additional technical inputs and support also result in fragmented set of policies and targets that conflict with other policies and actions plans and do not provide a coherent picture for private sector investment nor appropriate standards to support social and environmental considerations.	The GEF alternative provides incremental support to facilitate broader stakeholder consultation and participatory development of policies and action plans that target sustainable agricultural development and their horizontal and vertical coherence. Technical inputs from international and national experts help enhance technical quality of documents. These elements combine to deliver appropriate and effective policies and action plans that are technically strong, have broad stakeholder buy in and address key environmental and social concerns.

The outcome will support the development of key multi-stakeholder systems that are focused on addressing barriers related to the limited participation of stakeholders in decision making and to support action to address conflicting and misaligned policies. The outcome builds on baseline work undertaken through the FCPF REDD+ Readiness programme towards the establishment of the PNG Palm Oil Platform as well as work through the PHARMA and PAPP projects to strengthen coordination within the cocoa sector. As support through the FCPF programme is coming to an end prior to the platform being fully mobilized the current investment is critical to ensuring that initial support and engagement on the PNGPOP process is catalysed to deliver change within a sector that poses one of the greatest threats of deforestation within PNG. Ensuring a policy framework that facilitates operationalisation of these systems will encourage sustainable oil palm production and avert significant risk of deforestation, which has occurred in numerous similar environments in the FOLUR region with unchecked oil palm growth. Averting large-scale deforestation that often occurs with oil palm expansion will reduce ecosystem damage, land degradation, and emissions due to deforestation. Within the cocoa sector while support to the sector will continue through the WB?s PACD and Australian Government?s PHARMA+ projects neither focus on the development of true multi-stakeholder processes or the use of these operating between national and subnational level to develop policy and action plans that can drive change within the sector. The cocoa sector may also follow suit from oil palm, albeit at a smaller scale: FCAs have already been issued for cocoa development, demonstrating a driver of land degradation, and as such, this project will help manage sustainable cocoa expansion. Through the systems in place and the supporting analysis, the project will build on these existing investments to deliver revised policy and action plans for sustainable cocoa and palm oil development at both national and sector level as well as at least three new partnerships between growers and buyers that are able to strengthen sustainable production.

Results expected through achievement of Outcome 2 include:

- Enhanced coordination and shared commitments to ongoing coordination across stakeholders within sectors as demonstrated by a sustainably financed multi-stakeholder platform for both cocoa and oil palm;

- Establishment of a shared vision of the future for the palm oil and cocoa sectors and early action towards this through the approval of Action plans for Cocoa and Palm Oil at department level as well as 2 provincial plans approved at PEC and a new palm oil policy and revised cocoa policy approved at NEC level.

Output 2.1. National level Palm Oil and Cocoa Platforms fully operational and linked with subnational coordination systems

Output 2.1 will focus on the following deliverables:

- Establishment and/or strengthening of one Palm Oil Platform and one Cocoa Platform at the national level.
- Operationalization of the two platforms including ensuring the availability of public and non-public funding for the platform?s operations.

The output will be delivered through work to strengthen the existing national palm oil platform, that will be based within DAL and working closely with OPIC and establish a national level cocoa platform that is anticipated to be based within DAL but working closely with COCOBOD by formalizing and strengthening national level multi-stakeholder groups on cocoa. The platforms will address significant asymmetries in information and knowledge on the nature of domestic production, its environmental, social and economic impact as well as the current and anticipated nature of international markets for cocoa and palm oil. These platforms will also link with the global work of the GCP on commodity platforms as well as their ongoing work through the FOLUR programme (also linkign with work on internatinal buyers groups under outcome 4.3. of the current project.

Through providing, representative (including of gender and other elements of social diversity) forums in which a shared understanding of these elements and the potential development trajectories of the cocoa and palm oil sectors can be established. The project will enable development of relevant sector action plans and policies as well as creating effective links and coherence between national policy and subnational policies and approaches to palm oil and cocoa development (See Outputs 2.3). While the two platforms will remain separate, due to the distinct identity of the sectors, their governance structures and specific issues, the project will work to strengthen coordination between them and where possible will support joint events, training and other activities that will help to ensure that there are no duplications of effort or excessive requirements on the time of key central agencies.

The PNG PoP will bring together key stakeholders from the palm oil sector in PNG to enhance coordination between PS, civil society (including land owning communities) and government as well as enhancing coordination across government. Its full establishment has been delayed due to political changes within the DAL but should be approved by the initiation of the current project.

The project will work through the platform to facilitate early engagement across stakeholder groups and provide key ?impartial? technical support and facilitation of a participatory process of identifying key opportunities and barriers for development of the palm oil sector in PNG (many of which are covered within Component 2?s outputs). Based on this background work the platform will provide the focal point for development of an action plan, policy and guidance document for the sector (Output 2.3.) that will support the transition towards a sustainable pathway. Action at the national level will be coordinated with the functioning of the Provincial Palm Oil Working Group in West New Britain as well as a series of focused capacity building and participatory sector analysis events with stakeholders from provinces that are facing the potential for rapid palm oil expansion ? in particular ENB as well as East and West Sepik.

The project will work with the cocoa sector to strengthen the operations of the existing cocoa working group to enable a more proactive and comprehensive approach to delivering change within the cocoa sector. The transition towards a more established platform will focus on increasing the engagement from key PS bodies, conducting a more comprehensive assessment of the potential future scenarios of the sector and their different benefits and costs (Output 2.2.) and the development of an action plan and supportive policy to address these (Output 2.3.). This work will be undertaken in close collaboration with other projects supporting the sector including both the World Bank?s PACD project as well DFAT?s PHARMA Plus project. Linkages between the national platform and provincial level agriculture sectors will be supported by engagement through COCBOD and provincial agricultural divisions with focused capacity building and participatory sector analysis events held within target provinces to support a shared understanding of the existing context and way forward as well as to support provincial level sector planning.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
2.1.1.	Operationalising platforms through establishment of secretariats (staff, logistics, operational costs)	X		
2.1.2.	Enable platforms operations through formulation of strategy and business model for the palm oil and cocoa platforms	X		
2.1.3.	Legalise platforms through NEC decisions	X		
2.1.4.	Advocate for financing of platforms and development of future financing strategy and operational plan	X	X	X

Output 2.2. Scenario analysis of cocoa and oil palm development in PNG

Output 2.2 will focus on achieving the following key deliverables:

- Cost-Benefit analyses conducted for different palm oil and cocoa development models.

- Based on CBA, TSA scenarios developed for palm oil and cocoa development in PNG.

The project will work through the two commodity platforms to develop two-sector scenario analysis for the development of the cocoa and palm oil sectors in PNG. This set of scenarios will help to inform key stakeholders of the potential benefits and challenges of different development pathways and the key enabling factors needed to ensure a sustainable development pathway. Through a fully participatory process the assessments will combine existing information on sector production, economic benefits, certification, sustainability standards, past and future expansion, climate change and market access and pricing to provide information on the potential costs and benefits of different scenarios (through a TSA based approach), the key enabling requirements to achieve different approaches and a series of indicative case studies that look in more detail at existing development activities to indicate what future pathways could look like. Materials developed will also consider how to most effectively engage youth and women within these communities and what impacts the very young demographic will have on future trend. Scenario analyses will also take into account the biophysical suitability of these commodities, such as, soil criteria, precipitation, slopes, elevation, etc. Furthermore, the development of these scenarios will be closely linked with scenario development of ENB and WNB conducted under Output 1.3. Indicative activities will include:

No.	Activity description	National level	West NB	East NB
2.2.1.	Assessment of existing information on the costs and benefits of different oil palm and cocoa models in PNG and identification of potential international proxy data	X	X	X
2.2.2.	Through a consultative process develop a set of potential scenarios including BAU, High Sustainability and No regrets	X	X	X
2.2.3.	Development of TSA for potential scenarios for two commodities at national scale including in-depth information on case study provinces	X		
2.2.4.	Consultation on potential scenarios and costings and examination of key policy, regulatory and operational levers	X		
2.2.5.	Through a multi-stakeholder process work to identify a shared view of a future development pathway	X	X	X

Output 2.3. One national policy and guidance and two subnational action plans on sustainable palm oil development, and one national policy and two subnational action plans on sustainable cocoa formulated and adopted

This output will concentrate on achieving the following key deliverables:

- At least 6 analyses for the development/strengthening of national and/or sub-national policies and action plans on sustainable palm oil and cocoa.

- At least 6 draft policies or action plans finalized and submitted for legalization.

- Advocacy for the legalization of the policies and action plans.

Through the commodity platforms and the analysis work of the scenario assessment under Output 2.2, as well as assessment of extension systems and other actions within the component, a consensus vision for the sustainable future of the palm oil and cocoa sectors in PNG will be established across government, private sector and civil society. Based on this an action plan for the development of each sector will be identified that includes key steps and enabling actions needed for progress towards the agreed vision for sustainable development. This action plan will be supported by a policy document that provides the overall vision for the sector as well as a clear political commitment to its achievement. The development of these plans through a fully consultative and multi-stakeholder process, and with development occurring in tandem with work on the NSLUP (Outcome 1) the project will help to address a number of key policy inconsistencies as well as move towards a strengthened regulatory framework that guides sustainable agricultural production and safeguards key environmental goods. The development of this action plan and policy will be supported by key assessment work to further inform and the proposed activities within the action plans including review of the existing legislative framework for palm oil and cocoa development including ? the oil palm smallholder pricing formula, existing tax exemptions for rural agricultural development projects and the cocoa freight subsidy programme to identify how these systems can be further strengthened, updated and aligned with sustainability goals. The platforms will work synergistically, demonstrating a common goal to support sustainable and integrated land management in their production landscapes and enable efficient supply chains and sustainable practices. It will also look at those elements of legislation outside of the immediate sector such as broader tax regulations and those related to issuing of environmental permits or forest clearance authorities to identify opportunities to enhance the alignment of fiscal instruments with the sustainable development objectives of the action plans and policy. Key areas for assessment will include:

? *Removal of tax exemptions for land clearing in primary or HCV forest areas* ? existing tax regulations allow for the offsetting of all costs of land clearing in rural areas against tax. While intended to support the development of rural areas the current model allows for companies to accrue significant finance from the clearing of high value forest areas with some projects seeing only very limited subsequent investment in agricultural projects or indeed operating tax free for several years due to the tax credits they have accrued.

? *Allowance of targeted use of tax credits within sustainable production areas* ? the existing tax credit scheme requires companies to allocate potential tax credits into a central fund which can then be distributed anywhere within the country. While intended to support broad rural development it has limited investment in key rural infrastructure creating challenges for existing sustainable producers. Revisions to allow sustainably certified producers committed to deforestation free supply chains to invest in key rural infrastructure including feeder roads within their own supply chains would help support the strengthening of these production systems while helping to reduce deforestation often associated with improved road access.

? *Revisions of export taxes and permitting costs and processes for certified and non-certified production systems* ? at present there is no differentiation in permitting costs or export taxes or permitting requirements between internationally recognized sustainably sourced production and unsustainable production systems. Development of an adaptive framework that includes recognition of international certification documents within domestic permitting, reductions/or increases in permit fees or export taxes for certified / uncertified systems would help to provide a framework in which the costs of meeting international standards would be offset by reductions in domestic taxes and fees helping to reduce costs of certified production and incentivize adoption of these approaches by private sector.

This national process will also be supported by and link with development of province specific action plans on cocoa and palm oil. The development of these plans will both inform and draw from national processes and will also be closely integrated into the land use and development planning processes under Output 1.3. The project will provide support to the Provincial Administrations of ENB and WNB in the development of these provincial action plans and will support a fully consultative process that will bring together key stakeholders across civil society, private sector and government. Actions will be led by the provincial agriculture division with engagement and consultation within the palm oil sector with the Palm Oil working group in WNB as well as industry working groups for cocoa in ENB and WNB. Indicative activities will include:

No.	Activity description	National level	West NB	East NB
2.3.1.	Review the existing policies/regulations and legal framework for oil palm including OPIC act, and smallholder pricing formula, (work in this area will also be closely linked with actions under 5.3)	X	X	X
2.3.2.	Review the existing policies/regulations and legal framework for cocoa	X	X	X
2.3.3.	Review of existing financial incentives for rural agricultural development activities to support increased incentives for sustainable practices	X	X	X
2.3.4.	Utilizing the palm oil and cocoa platforms, facilitate the development of sustainable action plans for palm oil and cocoa	X	X	X
2.3.5.	Facilitate the development of guiding policy for sustainable oil palm and cocoa including consideration of how to support those most vulnerable in communities including women, youth and those with disabilities	X	X	X
2.3.6.	Liaise with government officials and advocate for the legalization of the policies and action plans	X	X	X

Outcome 3: Strengthened Smallholders Support Systems that promote sustainable agricultural practices through enhanced access to technical support, finance, and markets

The baseline situation and incremental reasoning for Outcome 3 are summarized below

Summary of baseline situation	Incremental reasoning
Output 3.1 Establishment of enhanced sustainability focused extension systems for small scale palm oil and cocoa producers including through expansion of privatized extension service provision	
Private sector operators and government continue to seek improved extension systems but with limited agreement and a lack of shared vision of how these systems should look. The process results in ongoing conflict between companies, commodity boards and DAL on how service provision is managed with limited improvements for smallholders in practical application.	The GEF alternative provides targeted support to bring key stakeholders together and through a multi-stakeholder process develop a shared vision of how extension provision can be improved to support both enhanced productivity and sustainability including how to best link good agricultural practices and sustainable land management practices. Technical support on how to design and in particular finance extension systems helps to provide a broader and deeper understanding of different approaches.
Output 3.2. Testing and roll out of enhanced sustainably focused extension services to smallholders in the oil palm and cocoa sectors including hybrid livelihoods	
Limited extension materials are developed with these materials not undergoing thorough testing or training to extension officers on their implementation.	The GEF alternative provides targeted support to improve the quality and nature of extension materials, their testing and early roll out helping to address both commercial crops and integrated livelihood approaches for small-holders and the integration of sustainability elements into their provision. Investments will support the development of appropriate and gender sensitive extension training modules for sustainable palm oil and cocoa production. These modules will be made available for public uses and will be trialed and rolled out in partnership with key private sector groups to help enhance levels of productivity and sustainability.

Outcome 3 will contribute to establishing sustainable food systems through enhancing yields and reducing inefficiencies within production systems while also ensuring the protection and management of landscapes. It will work to address a key driver of unsustainable production in-terms of knowledge gaps amongst producers on sustainable practices, the value of ecosystem services within production systems and sustainable landscape management thereby making sustainable farming practices more achievable. This will be done by strengthening and roll out of extension services through addressing key limitations in institutional capacity and supporting the adoption of GAP across target farmer groups. Extension provisions will include best practices for sustainable farming and land care, reducing agriculturally driven land degradation and the need to further cut down forest due to inefficient cropping models. Through its implementation, the outcome will see an enhanced number of farmers adoption of GAP and increased returns for those adopting these practices. The outcome will be delivered through three outputs. Through this process, it will build on existing work:

? within the cocoa sector by cocoa board, supported through PPAP as well as initiatives by private sector in particular Agmark and Outspan to improve the quality of extension materials and increase

reach of extension services, something that is particularly critical in addressing the CPB through adoption of improved management practices. This support targets finance to support the development and implementation of extension materials as well as provision of base level agricultural tools and inputs including improved planting stock through support to nursery development

? within the oil palm sector by OPIC and by Hargy and NBPOL, focused on improving extension materials as well as mechanisms for extension provision, and as well as access to finance to support undertaking of key actions such as small holder block replanting.

Across all these areas PS support is seeking to harmonize and enhance quality of extension information and to explore mechanisms for hybrid public private extension provision.

The incremental benefits of the current project will focus on improvements in undertaking a participatory diagnostic of the current challenges within the extension provision and developing a shared understanding and agreement on how extension services can be delivered and financed. This approach will bring together existing investments and help to catalyze government, development partner and private sector finance to help deliver a comprehensive extension support to smallholders with initial finance available to help strengthen materials and test elements (Output 3.2) identified within the diagnostic study and action plan development (Output 3.1).

Results expected through achievement of Outcome 3 include: The reach and quality of extension services increases resulting in:

- Farmers receiving support through improved extension services see increases in levels of income and as well as security of livelihoods through adoption of improved techniques and integration of different livelihoods strategies on farm, helping to reduce demand for new land clearing.

- Farms adopt GAP and enhanced sustainable approaches as part of sustainable land management systems helping to maintain ecosystem services, reduce land degradation and enhance access to premium markets

Output 3.1. Establishment of enhanced sustainability focused extension systems for small scale palm oil and cocoa producers including through expansion of privatized extension service provision

Under this output, the project will deliver the following:

- Situational analysis of existing extension systems for small-scale palm oil and cocoa sectors in PNG

- Technical guidelines to strengthen extension systems for small-scale palm oil and cocoa sectors in PNG are developed with costed action plans for extension support included and approved by DAL and the relevant commodity boards.

- Official endorsement in the form of legal adoption (e.g. decree, regulation, policy) of the proposed guideline to strengthen extension systems by the national government. These will be approached by DAL, OPIC and Cocoa Board and included within the platform action plans.

The project will work through the multi-stakeholder coordination systems established under Output 2.1. in the review of existing support to farmers and develop and test approaches to improved service provision. The GCP Farmer support tool will be utilized as a system to conduct initial review and assessment of existing support systems and will utilize an analytical framework that encompasses five key elements:

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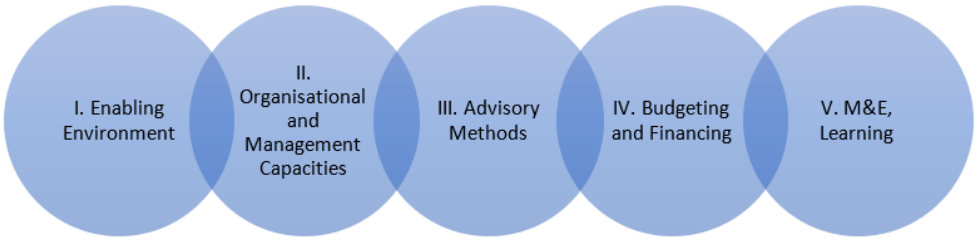
[1] The Environmental Land Value Information System (ELVIS) was developed by CSIRO and TNC through support by the Coral Triangle Initiative as well as inputs from GEF4 finance. Further information on this and its potential application within the planning processes in New Britain can be found at https://publications.csiro.au/rpr/download?pid=csiro:EP18505&dsid=DS2



The tool will be undertaken through a participatory process that will bring together national level members of the palm oil and cocoa platforms as well as provincial stakeholders to ensure clear linkages between national policy and local level implementation. Work will be led by the platform teams with support provided through a technical support consultancy to support the engagement and extension system design process as well as technical specialists on the financing of extension services, with both consultants working closely with the GCP at the global level on application of the tool and understanding of global best practices. Activities will be structured around four main phases:

? ***Preparation*** ? the process will be integrated into the work of the national platforms and provincial working groups with a focus on bringing together farmers groups, key buyers / commercial

producers and government officials from subnational and national government as well as commodity boards ? with the combination of national and provincial processes strengthening these linkages. Within early operation of these groups a joint workplan will be developed that will identify key assessment work that is needed and the roles of different groups within this.

? ***Assessment*** ? the assessment phase will focus on bringing together existing experience of the provision of extension services, the strengths and limitations of these systems, including levels of access and appropriateness across genders and opportunities for improvement. A facilitator (based within the national cocoa/ palm oil platform structure) will work with different partners to help collection of baseline information as well as to develop concise studies of a number of key areas agreed during the preparation phase as well as reviewing existing extension materials across providers and financing of extension services. This latter element will be supported through an international expert who will help to provide information on international best practices in financing extension services as well as options for how the approach could be adapted to PNG ? bringing together global examples with existing processes in PNG

? ***Diagnostic analysis*** - Members of the subnational working groups and national platforms will then be coming together for a series of workshops at subnational and national level to present their respective experiences and work through a diagnostic tool to assess the existing status

? ***Collective decision-making*** ? based on the outcomes of the diagnostic work, the project will support the development of an implementation plan and budget for improved provision of extension within each of the commodities. During the diagnostic period a core team of stakeholders will be identified to support the development and costing of the plan with summaries developed to target different decision makers and fed into the broader work of the commodity platforms.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
3.1.1	Facilitate assessment of existing provision of extension services ? including assessment of differential access to services across genders and other social groups within farming communities	X	X	X
3.1.2.	Undertake diagnostic analysis through consultative workshops	X	X	X
3.1.3.	Develop costed action plans on extension support	X	X	X
3.1.4	Coordination and advocacy with the national governments (i.e. relevant ministries) to legalize the guideline to strengthen extension systems to ensure its adoption and implementation	X		

Output 3.2. Testing and roll out of enhanced sustainably focused extension services to smallholders in the oil palm and cocoa sectors including hybrid livelihoods

The key deliverables of this output include:

- Cocoa extension materials/modules developed

- Palm oil extension materials/modules developed

- Provision of training of trainers for selected extension officers in the target landscapes

Based on the findings of the review work and action plan developed above, the project will support key elements of the action plan in particular the development and trailing of enhanced extension support materials that will help to standardize the quality-of-service provision across all providers as well as enhancing the nature of that provision to address the nature of PNG?s hybrid livelihoods and need for food security. Within the cocoa sector this will be done in close collaboration between the private sector and Cocoa Board well as the Cocoa Research Institute as well as with other relevant stakeholders such as the university of Natural Resources in East New Britain and include improved practices to reduce the impact of CPB. Within the oil palm sector this will be done in close collaboration with the Oil Palm Research Association (OPRA), and OPIC as well as the private sector and relevant growers associations. OPRA will provide high level agricultural scientific research and technical support while providing long term support in building training and learning materials for knowledge production beyond the project lifetime while OPIC will be a core member of the provincial coordination committee and/or inter-sectoral technical working group. Potential stakeholder groups in the private sector and relevant grower associations are detailed in Table 13: Stakeholder Assessment and roles in project. Materials will include:

? Core information on good agricultural practices for oil palm and cocoa cultivation, including: fertilization, planting materials, plant maintenance, post-harvest treatments, CPB management, etc.

? Information on environment protection and management including GAP, the role and importance of ecosystem services, links between GAP and sustainable landscape approaches as well as sustainability standards (e.g., RSPO?s and Fair Trade?s principles and criteria)

? Information on farmer organization?s internal control system

? Information on household financial management, information to improved access to finance/credit and business literacy

? Enhanced information and tools on adoption of integrated farming practices including integration of revenue generating shade crops within cocoa production systems as well as integration of food crops and small livestock (e.g. poultry) within the farming system

Within the oil palm sector specific work will be done to strengthen the development of guidance on cyclical replanting systems that allow smallholders to maintain food production within replanting areas while maintaining / increasing overall palm production through the replanting process use of improve planting stock. In developing the oil palm training materials, the project will build upon the materials/modules developed by UNDP in Indonesia under the GEF-6?s Impact Programme (Good Growth Partnership). The project will translate the materials into English and consult to multi-stakeholders to adopt the local PNG context and add additional narratives where necessary.

Draft materials will be reviewed through provincial and national multi-stakeholder structures for palm oil and cocoa as well as the National Institute of Standards and Industrial Technology (NISIT) to

ensure broad consensus and technical agreement on their content and means of implementation. Materials will then be tested within a number of target areas in partnership with key private sector partners and government service providers with training provided to both farmers and to those responsible for delivery of materials with this process ensuring a strong diversity of participants across genders as well as social groups within the farming community. Through an iterative feedback process, materials will be revised and presented to the NISIT for adoption as a standard for extension provision that will be required for all proposed service providers. Further training of trainers will then be undertaken to ensure that key providers across New Britain have an understanding and capacity to deliver materials.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
3.2.1	Review of existing extension materials and international best practice (linked with assessment work under Output 3.1) for cocoa and palm oil respectively	X	X	X
3.2.2	Develop cocoa extension materials	X		
3.2.3	Develop palm oil extension materials	X		
3.2.4	Testing of materials including testing with different groups within communities, including women, youths and other vulnerable groups and including the establishment of demo plots within farming groups.		X	X
3.2.5	Consolidate materials into a guiding standard ? and revision of standard at end of project	X		
3.2.6	Provide Training of trainers for at least 50 selected extension officers across the two target landscapes		X	X

Outcome 4: Strengthened value chains to enable sustainable agricultural production

The baseline situation and incremental reasoning for Outcome 4 are summarized below

Summary of baseline situation	Incremental reasoning
Output 4.1 Improved access to high value markets through development of business capacity, networking and coordination across smallholders including women and those most vulnerable within communities	

Cooperative societies and other smallholder production groups are poorly linked with limited information sharing or coordination. Groups are also limited in capacity to effectively engage in formal contracts and certification standards due to low levels of record keeping and limited understanding of business management.	The GEF alternative provides incremental support to strengthen smallholder capacity to implement GAPs as well as to improve farmers institutional capacity utilizing the modules/materials developed under Output 3.2. Here, the project will identify at least 12,305 farmers cocoa and palm oil in the two target landscapes and farmers for the capacity building. The support will also be provided to link these farmers with off-taker companies, such as Sime Darby/NBOL, Hargy and Agmark.
Output 4.2. Support to development of improved traceability and payment process for cocoa in partnership with key private sector institutions	
Government maintained data on smallholder production remains limited presenting challenges for facilitating expansion of operations by interested buyers, targeting of extension support and monitoring of sector performance and impacts on environment. Payments for cocoa continue to be made in cash at the point of sale within urban and peri-urban areas with funds often not effectively utilized and with women and youth often excluded from decision making on their use.	The GEF alternative provides incremental support to the development of the government capacity on traceability systems for in country production, trade and export and how these links with global traceability systems. This will be done in close partnerships with private sector firms and with consideration on how to best utilize existing technologies domestically and those operating internationally to both strengthen data collection and enhance market compatibility and utility of the system. Systems improve knowledge and information on PNG production and reduce barriers of entry for buyers. Work will also support the development of improved payment systems that will help to reduce levels of cash payments and increase uptake of banking. This combined with training under Output 4.1. will help to support farming families to utilize funds for equitably, efficiently and effectively to support both agricultural and broader livelihood development (e.g., payment of school fees, medical costs etc)
Output 4.3. Establishment of international buyers? groups for PNG cocoa and palm oil	

PNG agricultural products have limited visibility within international markets and amongst key buyers. Perceptions of high barriers to entry and concern of product quality deter investments.	The GEF alternative provides incremental support to improve levels of awareness of PNG products and opportunities within PNG for sustainable production as well as creating a forum for discussion of key issues limiting PNG access to international markets.

Outcome 4 will contribute to establishing sustainable food systems and deforestation free supply chains, by helping to address unresponsive value chains as well as limited capacity at the local level while also helping to catalyze additional finance and investment in sustainable agriculture. This will be achieved by both working with farmers to enhance their capacity to access high value markets and enhance investment within their production systems and to work with buyers both within PNG and globally to have an enhanced awareness of PNG?s production systems as well as the unique challenges faced by high forest countries in meeting international sustainability standards.

At the producer level the project builds on the work of the PPAP in supporting smallholders in enhancing their business capacity with the project?s focus on developing producer networks and building business capacity helping to catalyze these initial and ongoing (through PACD) investments to create a stronger network of producers that are able to organize, support one and other and effectively respond to market demands (Output 4.1). This is complemented through the work to support the development of domestic traceability systems (Output 4.2). The system will help to further develop the sector and open it to international buyers who have sustainability considerations within their purchasing approaches. By reducing barriers to entry for these buyers (who predominantly will pay a higher price for quality cocoa than that exported on bulk markets) it will create a positive incentive for production to be increased and quality improved within existing areas as opposed to a focus on development of new areas. The approach will link the work of cocoa board with that of the private sector and the FOLUR Global Platform, reducing the barrier to entry of buyers and facilitating the transition of producers into sustainable high value supply chains, while also helping to strengthen institutional capacity at the national level to support the sector. The traceability system will also complement this by working with the cocoa board and private sector to reduce the barriers to entry for buyers and facilitating the transition of producers into sustainable high value supply chains, while also helping to strengthen institutional capacity at the national level to support the sector.

This element will be developed in close partnership with investments through the PACD project and cocoa board as well as private sector groups in particular Olam and Agmark.

At the buyer level project builds on initiatives started through the cocoa board, with support from PPAP as well as PHARMA to increase the visibility of PNG cocoa, as well as work through the FCPF programme linked to the development of the Palm Oil Platform. The project however takes these initiatives further through establishment of a buyer group for each commodity which will help improve communication with large scale buyers as well as their knowledge on and shared interest in PNG. These buyers groups will be integrated with the work of the Green Commodities Programme at the

global level and as part of the global FOLUR programme helping to create a stronger network of buyers interested in sustainable value chains. In particular links with actors investing in Indonesia will be explored due to the geographical proximity, the presence of another partner FOLUR programme and existing industry links.

Results expected through achievement of Outcome 4 include:

- An increase in the number of smallholders engaged in certified sustainable supply chains by 4,000

- An increase in the number of sustainably focused buyers engaged in PNG cocoa and palm oil markets

- Improved market access for PNG cocoa and oil palm supply chains

- Enhanced incentive structure for sustainable production of cocoa and oil palm

Output 4.1. Improved access to high value markets through development of business capacity, networking and coordination across smallholders including women and those most vulnerable within communities.

The project will work with at least 12,305 oil palm and cocoa smallholders as well as smallholder oil palm and cocoa cooperatives across New Britain to strengthen their capacity (both institutional and individual capacity to implement sustainable practices), including support to coordination and knowledge sharing as well as improved skills and knowledge with regard to business capacity (e.g. record keeping and maintenance of standards) within their production and supply chains. The exact land area under improved practice will be determined after a more comprehensive mapping of target farm areas with data currently to scarce to make a responsible and appropriately precise estimate of target sites. The project will also work with private sector (ex. Including exporters, processors and finance bodies such as Kina Bank) and other partners in the development of a network of cooperative societies, with a particular focus on the inclusion of women and other farmer groups often excluded from training and networks that will function across New Britain. This network will provide a forum for the sharing of information on production systems and markets as well as development of partnerships that will help to reduce costs and improve efficiencies within production systems. The network will link closely with the Cocoa Industry Working Group at provincial level as well as being able to feed into the National Platform.

The key deliverables under this output include the following:

- Identification of 12,305 target oil palm and cocoa smallholders, and provision of capacity building and establishment of farmers group for these smallholders

- Engagement with local off-taker/buyer companies who will source the products from the target smallholders

- Monitoring of the training programme for these smallholders

The project will utilize the training materials developed under Output 3.2, which contain information on: GAPs, environment protection and management including sustainability standards (such as RSPO, Fair Trade), farmer organization?s internal control system as well as household financial management and alternative livelihood practices with special consideration for tailoring materials appropriate for women and youth stakeholders.

Training in these areas will then be combined with visits to other areas of PNG where early progress has been made in the strengthening of oil palm and cocoa supply chains and the adoption of sustainability standards to help cooperatives identify the key needs and opportunities around further business development and adoption of improved business capacity. The development of improved record keeping skills as well as business management will also provide a fundamental element of the traceability system that will be developed under Output 4.2.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
4.1.1	Identify 12,305 target oil palm and cocoa smallholders in the project landscapes		X	X
4.1.2	Support network/linkage between the target smallholders and their groups/unions/cooperatives with local commodity off-taker companies (such as NBPOL, Hargy, Agmark)		X	X
4.1.3	Provide ToT and smallholders training on modules/materials developed under Output 3.2		X	X
4.1.4	Develop smallholder producer and cooperative society network		X	X
4.1.5	Field visits to other areas of PNG		X	X

Output 4.2. Support to development of improved traceability and payment process for cocoa in partnership with key private sector institutions

The project will focus action within the output on cocoa supply chains as within PNG these are highly fragmented with large number of small-holder producers. A number of targeted interventions will be undertaken within the palm oil sector linked with the work of the Palm Oil Platform to review approaches to traceability, but as present production is held either through two firms which have a fully traceable supply chain (NBPOL and HOPL ? these are also the only firms that currently work with small-holders), or on a very limited number of plantations, only limited levels of input were identified as being required.

Within the cocoa sector, the project will work to establish an effective domestic traceability system to enhance tracking of production, processing and export of cocoa. This will be done in close collaboration with key private sector partners and the FOLUR global platform as well as in collaboration with out PNG work programs by first assessing the existing needs and differing approaches to development of traceability systems within the cocoa sector in PNG and reviewing existing global options and systems. Based on this information consideration will be give to how best to support the development of and application of an appropriate system within pilot areas. By ensuring an effective domestic system the project will help to support integration of PNG cocoa into global traceability systems and enhance the market readiness of producers and buyers to engage with international buyers.

The project will also work with partners to test approaches to improved payment systems within the cocoa sector. These will build on international experience as well as the successful payment card systems used within PNG?s oil palm sector. This approach will specifically focus on helping to improve the efficiency of transactions as well as enabling more equitable and effective use of funds within households as payments will be made into bank accounts that will be linked to training on financial management under Output 4.1. and will also enable direct payment of key costs such as school fees or agricultural inputs.

The key deliverables under this output include:

? Traceability systems for cocoa are developed, tested and made available for public use.

? Training on traceability provided for selected smallholders and government officials

? Improved systems of payment for cocoa that help to enhance the equitability of use of funds within farming households as well as the effectiveness of how payments are spent.

Working with key cocoa buyers the project will review the existing levels of certification and opportunities for improved market access through adoption of enhanced traceability of beans. Assessment of different traceability systems will be undertaken to identify appropriate systems that can be adopted in PNG including consideration of development of an improved producer and fermenters database system that will allow for the tracking of production from different areas and can also feed into development planning processes under Outcome 1. Development of a trial traceability system will be done in conjunction with the FOLUR Global Platform and key private sector buyers to ensure effective integration into existing supply chains and to allow for improved access to international markets.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
4.2.1	Review the existing domestic and international traceability systems and farmer payment systems	X	X	X

4.2.2	Identify target supply chains and partners for development of systems	X	X	X
4.2.3	Partner with private sector buyers and distributers in development of traceability and payment systems	X	X	X
4.2.4	Develop training materials on application of traceability systems	X	X	X
4.2.5	Roll out training to target smallholders		X	X

Output 4.3. Establishment of international buyers? groups for PNG cocoa and palm oil

The project will work to support the development of international buyers? groups for cocoa and oil palm in PNG in collaboration with the existing STREIT work program. These PNG cocoa and palm buyer groups will link with global buyers? partnerships supported by UNDP?s Green Commodities and delivered through the procurement of a one or more consultants/consultancies to manage the operations of the groups. The intention is to appoint consultant(s) who have strong pre-existing relationships with buyers in critical demand markets. This approach will be developed in partnership with other FOLUR programmes in particular those operating in the region (Malaysia and Indonesia) to ensure that relevant buyers are presented with a holistic picture of action through FOLUR and any opportunities for enhanced action are maximised. In addition the approach will also look to link with and work through existing industry groups and coalitions in key demand markets (such as China Sustainable Palm Oil Alliance, European Palm Oil Alliance, Amsterdam Declaration Partnership, India Sustainable Palm Oil Coalition, Southeast Asia Alliance for Sustainable Palm Oil) and global initiatives (such as the Roundtable on Sustainable Palm Oil (RSPO), World Cocoa Foundation (WCF), the Tropical Forest Alliance (TFA), the Consumer Goods Forum (CGF), the World Business Council for Sustainable Development (WBCSD), the Global Agribusiness Alliance).

The group will seek to coordinate action and in partnership with actions under the platforms (Output 2.1.) will work to improve facilitation of inward investment from downstream buyers into the target jurisdictional and landscape initiatives across the region (Malaysia, Indonesia, PNG). Consideration of how this approach will be structured in PNG will be further developed through the work of the Platform (Output 2.1.) but may consider approaches to bundled investments within target jurisdictions to allow for development of jurisdictional approaches. Effort will also be made to consider how these types of approaches can also link with other initiatives within the country looking at jurisdictional approaches such as Reduced Emissions from Deforestation and Degradation (REDD+) and biodiversity offsetting programmes. Through such links consideration will be given to linking with other partners on establishing green production jurisdictions that may attract funding from multiple sources as well as being able to access key financial support such as first loss guarantee funds from development partners.

This approach is critical in helping to present both options for sustainable investment in agriculture within PNG to international firms and to provide a clear indication to domestic actors that landscape investment is possible and does not have to rely on pre-finance from logging operations and helping to address a key barrier to sustainable agricultural development across the country.

For palm oil, the project will build on the work undertaken towards establishing the PNG Palm Oil platform. in 2018 33 key palm oil buyers who have already signed an initial *Statement of Support for the Papua New Guinea Palm Oil Platform* (PNGPOP). Signatories included: 2 Sisters Food Group, ALDI SOUTH Group, Allied Bakeries, ASDA, BakeAway, Bakkavor Group, BBF Limited, Burtons Biscuits, Carrefour, Colgate-Palmolive Company, Co-operative Group, Coop Switzerland, Danone, Finsbury Food Group, Ginsters, Golden Bake, Greencore Group, Group Cemoi, Kao Corporation, Kerry Group, Lidl UK GmbH, Marks & Spencer, Migros, Mondel?z International, Procter & Gamble, Sainsbury's, Samworth Brothers, Speedibake, Symington's, Tangerine Confectionery, Tesco, Unilever, Waitrose. A sub-set of these companies indicated an interest in participating in an International Buyers Group to provide input into the action plans developed through the PNGPOP.

The project will seek to set up a similar process for the cocoa sector, engaging key existing buyers (such as Olam) as well as broadening its reach to new firms including those in the Japanese, US and European markets.

Initial analysis will also be undertaken of the key financial institutions providing capital to existing and potential agricultural projects to identify opportunities for action on working with these partners to target enhanced sustainability criteria and to enhance access to finance for small-holders. The main focus of this work will be with domestic finance providers including the Bank of PNG, the PNG Superannuation Fund, as well as Provincial Investment Funds. This work will be done in partnership with key development finance bodies (e.g. World Bank and ADB) and partner projects (e.g. PACD, and SREIT) as well as buyer companies, many of whom provide financial products to their small-holders. This work will be done in conjunction with other FOLUR projects in the region with a focus on action being taken as part of a regional or global approach.

The project will seek to set up a similar process for the cocoa sector, engaging key existing buyers (such as Olam) as well as broadening its reach to new firms including those in the Japanese, US and European markets.

Initial analysis will also be undertaken of the key financial institutions providing capital to existing and potential agricultural projects to identify opportunities for action on working with these partners to target enhanced sustainability criteria. This work will be done in conjunction with other FOLUR projects in the region with a focus on action being taken as part of a regional or global approach.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
4.3.1	Hold regular meetings through the year to provide input into the development of the Action Plans and policies for sustainable cocoa and palm oil (under Output 2.3)	X	X	X

4.3.2	Facilitate technical or financial support from buyers for sector and supply chain development priorities and farmer support priorities (under Outcomes 2 and 3)	X	X	X
4.3.3	Identify market development opportunities for improving market access and commercial terms for sustainably produced cocoa and palm oil from PNG. Action in this area will be particularly relevant for PNG cocoa where current production is not well differentiated with less than 1% of production going to specialty buyers and over 65% going to bulk markets in Asia	X	X	X
4.3.4	Facilitate international buyer support for conservation and restoration activities under Component 3	X	X	X
4.3.5	Support representation of PNG palm oil and cocoa at international forums	X	X	X
4.3.6	Engage with international sustainable palm oil initiatives in key demand country markets, particularly in Europe	X	X	X

Component 3: Conservation and restoration of natural habitats through public-private-community partnerships

Component 3 focuses on strengthening action on landscape scale restoration of at least 50,000 ha of degraded agriculture and forest lands, while also helping to support action on maintenance of deforestation free supply chains. This will be done by addressing key drivers and barriers including rapid agricultural expansion, weaknesses in the participatory processes for land use planning (particularly within community conservation areas) and helping to address currently limited levels of institutional capacity and collaboration. The component will achieve this through working to strengthen the knowledge and capacity of officers and stakeholders empowered to undertake environmental monitoring and enforcement as well as restoration action through both enhanced skills and provision of supporting across government systems (Outcome 5), as well as working with communities to enhance uptake and effective planning and management of buffer zones (Outcome 6).

These initiatives build on existing work undertaken to update and strengthen the Environment Act, in alignment with the forms to the OLPLLGs, which provides the legal mechanism and for authority for monitoring and enforcement to be passed to subnational levels as well as the work of GEF-6 CBIT project on developing an approach to a remote deforestation alert system. The current project takes these actions further and builds on baseline investments through CEPA, CCDA and PNGFA and will work to strengthen the institutional linkages between these sectors to ensure that the tools move from a national level reporting mechanism to one that can be implemented at field level and that there are effective institutional relationships in place to integrate action by PNGFA, CEPA and CCDA at the subnational level to provide cost savings and more effective reporting systems.

With regard to action under Outcome 6 the project will build on work undertaken through the GEF-4 CbFCCRM project, ongoing initiatives by NGOs as well as commitments by the provincial government to support effective planning and management of buffer zones in order to increase the capacity of community groups to effectively manage CCA?s through capacity building of community groups and strengthening coordination networks as well as formulating, implementing and monitoring management and restoration plans for CCA. With the GEF-4 project having completed, many areas initiated by the project are without external support and will struggle to maintain and further formalize community action while separate initiatives led by NGOs will provide a strong baseline for project action without integration within the FOLUR project, they are liable to remain site specific with limited integration within broader landscape and development planning process or provincial, LLG and ward budget systems, reducing their sustainability as well as security.

Outcome 5: Strengthened governance structures and institutional capacity for integrated action on conservation and restoration of natural habitats

The baseline situation and incremental reasoning for Outcome 5 are summarized below:

Summary of baseline situation	**Incremental reasoning**
Output 5.1: Enhanced capacity of provincial officers to take action with regard to environmental issues, including enforcement of environmental legislation, and undertaking of restoration and conservation actions	
The process of decentralizing powers for environmental monitoring continues at a slow rate due to limitations in provincial level capacity.	The GEF alternative provides targeted incremental support to CEPA in the development and delivery of training to provincial level officers to increase capacity to conduct monitoring and assessment activities. Enhancing the opportunity for decentralization of authority to provincial level and, moving monitoring and enforcement closer to field level activities.
Output 5.2: Establishment of Integrated Environmental Monitoring and Reporting System including remote deforestation monitoring and field verification reporting app	
Baseline level environmental monitoring system is developed but remains limited in accuracy and integration with national systems. Significant disconnects remain between field level reporting of environmental infringements, remote detection systems and national level enforcement bodies.	The GEF alternative provides targeted and incremental support to further the technical development of remote forest loss detection systems, an integrated field level monitoring and reporting app and drone-based site-specific monitoring systems as well as capacity building to ensure that key actors have capacity to implement them. These elements will be critical in improving detection, reporting and effective enforcement action of infringements in remote field sites as well as greatly strengthening the links between site level action, provincial monitoring and enforcement and national sector agencies.
Output 5.3: Strengthened action on restoration of degraded areas to prevent environmental risks	

Action on restoration activities will remain untargeted and adhoc with limited resources or monitoring of performance.	The GEF alternative provides targeted and incremental support to enhance understanding of where action on degradation should be targeted as well as building the capacity and financing mechanisms for community based tree planting initiatives helping to not only address degradation but also improve access to timber thus helping to reduce pressure on HCV/HCS forest areas. These actions will be targeted around production landscapes targeted under Component 2 to support regeneration of forest areas as well as increases in on farm tree planting that will help protect water courses and reduce levels of land degradation.

The outcome contributes to strengthening action on landscape scale restoration while also helping to support action on maintenance of deforestation free supply chains and ensure landscape-wide improved ecosystem resilience. By working to strengthen the capacity of subnational actors to both monitor and enforce environmental regulations and take action on rehabilitation through capacity building, development and provision of key tools (namely remote monitoring and reporting systems as well as land degradation assessments) it addresses key issues of limited institutional capacity. The focus on interagency collaboration and the operationalization of national policies, legislation and tools at subnational level the outcome also addresses key issues linked to both vertical and horizontal coordination within government and helps identify innovative and cost-effective mechanisms to deliver results and improve efficiencies. These elements build on existing investments through the GEF6 CBIT project but move them towards implementation at scale within a field setting and through interagency collaboration. Within the context of rehabilitation, the project also builds on research work undertaken through the ACAIR on integration of tree species on farms and small-scale woodlot development but transition these approaches from research into operational models that can be financially self-sustaining.

Results expected through achievement of Outcome 5 include:

- An increase in levels of detection, reporting, and enforcement with regard to environmental infringements linked to forest loss and agricultural developments

- An increase in levels of public and private investment in environmental planting and woodlot development

Output 5.1: Enhanced capacity of provincial officers, including female officers to take action with regard to environmental issues, including enforcement of environmental legislation, and undertaking of restoration and conservation actions

The key deliverable under this output is - training provision for selected provincial officers to implement Environmental Act 2000.

The project will work with CEPA to enhance the capacity of provincial officers to undertake key responsibilities designated from the national to provincial level by CEPA under the Environmental Act 2000. The project will work to develop a core capacity matrix that will be used to first assess levels of provincial and district officer?s capacity, and then develop capacity building programmes to support officers to undertake their activities.

This localizing of environmental monitoring capacity will significantly strengthen the ability of the PNG government to effectively monitor the application and enforcement of environmental legislation at the subnational level. This will be done through the development and testing of capacity building and early roll out of the approach providing a clear model to its expansion across the country. Monitoring activities will also be supported by the development of new monitoring tools and alert systems developed under Outputs 5.2 and 5.3.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
5.1.1	Develop capacities matrix		X	X
5.1.2	Assess existing government capacities		X	X
5.1.3	Develop training programme		X	X
5.1.4	Early roll out of training and follow up support to provincial and district officers including female representatives and those from land owning communities.		X	X
5.1.5	Conduct post-training survey to measure updates of the training programme by these officers		X	X

Output 5.2: Establishment of Integrated Environmental Monitoring and Reporting System including remote deforestation monitoring and field verification reporting app

Under this output, the key deliverable is - development of an integrated system for monitoring environmental infringements linked to development activities with a focus on agriculture driven deforestation activities.

The system will link a number of ongoing initiatives and tools that have been developed in PNG to support interagency collaboration and strengthen the capacity of field level officers to rapidly respond to and report on deforestation. The system will be made up of three main elements:

- A remote deforestation monitoring system

- An environmental performance and infringement monitoring and reporting app

- A drone based enhanced monitoring capacity

The remote deforestation monitoring system will build on work initiated by the GEF6 CBIT Project to monitor levels of deforestation. The system, currently being develop and based around weekly deforestation alerts from University of Maryland (Global Land Analysis and Discovery (GLAD) Lab, and VIIRS active fires data (VNP14IMGT) will be further strengthened and rolled out to ensure its capability and integration with other monitoring tools. Further work will also be undertaken to develop a system that utilizes the information based on PNG country own definitions (forest and land use) with opportunities to leverage work undertaken by FAO to develop the Open Foris SEPAL (System for Earth Observation Data Access, Processing and Analysis for Land Monitoring) tool which FAO is currently developing in collaboration with projects in other countries and the region.

This tool will be integrated with an environmental performance and infringement monitoring and reporting app. The app will build on work done in development of a protected areas monitoring app within PNG as well as work done to establish an HCV/ HCS assessment app for smallholders and global tools such as Global Forest Watch?s Global Forest Watcher app. It will provide an integrated system to allow field level officers to conduct regular environmental monitoring of both protected areas and development activities and to respond to and verify infringements including those identified through the remote deforestation tool.

These tools will also be supported by strengthening of drone-based monitoring activities initiated under GEF4 within New Britain. With remote detection systems reliant on 30x30m resolution they are often unable to effectively detect small-scale gardening activities which are a significant cause of deforestation in PNG and present a specific risk to HCV/HCS areas as farmers encroach in conservation and set aside areas surrounding plantations or into areas designated for conservation. By improving regular drone-based monitoring of high-risk areas it allows for such encroachment to be detected before farms are fully established and difficult to remove as well as providing more detailed imagery for mapping and monitoring purposes. This information will thus be linked into work under other components as well as the national deforestation alert system.

Across all areas the project will work to support the technical development of PNG appropriate approaches at national level working closely with CEPA, PNGFA and CCDA in the establishment of interagency collaboration and a cadre of skilled operators able to manage systems as well as developing a comprehensive training programme to ensure that provincial and field level stakeholders and operators are fully conversant with systems and tools and are equipped to manage and maintain them.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
5.2.1	Strengthen operation of real time deforestation monitoring system	X		
5.2.2	Development of field verification app	X		

5.2.3	Integration of drone-based monitoring systems	X	X	X
5.2.4	Early roll out of capacity training and follow up support to provincial and district officers		X	X

Output 5.3: Strengthened action on restoration of degraded areas to prevent environmental risks

The project will support actions on agriculture land and forest land restoration across New Britain Island. Targeting areas within the productive landscapes linked to those groups targeted under Component 2 the project will work through increasing knowledge on areas of degradation, engaging land owning communities to take action in priority areas and supporting the strengthening and early implementation of models for the enhanced integration of trees within 10,000 ha of agricultural landscapes, through multi-strata agroforest systems to reduce levels of soil and land degradation while also enhancing livelihoods. Additionally, the project will also ensure the designation of 40,000 ha of forest land for natural restoration process. These areas are predominantly the degraded natural forests caused by logging and slash and burn agriculture practices.

The key deliverables under this output include:

- Degradation map for New Britain Island developed;

- Identification of restoration areas (10,000 ha within agricultural lands, and 40,000 within forest lands); and

- Development of training materials and provision of training on woodlot development and management.

When developing the land degradation map for New Britain Island, the project will combine local knowledge with existing remote sensing and new drone footage, as well as a number of sample plot assessment areas that will also link with information collected through the National Forest Inventory as well as other projects to develop an assessment of land degradation across New Britain Island. This mapping will also be linked with information on projected future environmental and development risks as well as areas for priority environmental services to identify target areas for action. This work will be tightly linked to the assessment and planning work under Outcome 1. Actions to support restoration will be achieved through two main elements:

The project will promote participatory engagement and actions by land owning communities to implement the restoration interventions on the selected 10,000 ha agricultural lands. This will be done through working with communities through the participatory mapping processes to identify areas for restoration, and to develop information materials as well as guidance to support communities to take action to restore areas, building on PNGFA?s knowledge on approaches to reforestation naturally.

Appropriate model(s) for the enhanced integration of trees within production landscapes will also be piloted, building on the work of existing projects to support the enhanced integration of trees within

production landscapes. Support to the development of these approaches will focus on supporting an effective operational and technical approach that is able to provide seedlings to communities, support their capacity to plant seedlings and conduct early maintenance and where relevant conduct thinning to ensure that plantings help to provide commercially viable small scale timber products in the short to medium term as well as high quality timber in the long term. This will be relevant for both timber-only planting , such as teak, as well as those that provide additional food crops, such as Galip nut.

Across both of these approaches a key focus will be on ensuring the full and effective participation of all members of land- owning communities including women and vulnerable groups within the community as well as migrant groups to ensure that they are able to effectively engage with restoration activities and are involved in any decision making about areas that should be set aside to regenerate.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
5.3.1	Baseline assessment of land degradation across New Britain		X	X
5.3.2	Identification of restoration areas (10,000 ha within agricultural lands, and 40,000 within forest lands)		X	X
5.3.3	Development of training materials on woodlot development and management		X	X
5.3.4	Establishment of nurseries in target areas		X	X
5.3.5	Training to farmers, including women and other vulnerable groups within communities on woodlot development and forest rehabilitation activities		X	X
5.3.6	Development of business model for small scale woodlot development and ongoing technical support		X	X

Outcome 6. Enhanced uptake and effective planning and management of buffer zones, set aside and restoration actions the target provinces

The baseline situation and incremental reasoning for Outcome 6 are summarized below:

Summary of baseline situation	Incremental reasoning
Output 6.1. Increased capacity of community groups to effectively manage community-based conservation restoration, set aside, buffer and conservation areas through capacity building of community groups, strengthening coordination networks and development of sustainable finance plans	

Community groups working to conserve areas within and at the frontier of production landscapes have limited capacity to undertake management planning or finance restoration or management activities resulting in limited ability to restore and/ avoid conversion of forest lands.	The GEF alternative provides targeted and incremental support to build the capacity of communities in and surrounding productive landscapes targeted by the project to effectively manage community-based set aside and buffer areas as well as finance management activities helping secure areas for future conservation. An enhanced network of community groups provides shared ongoing capacity building and skill sharing helping to address future shortfalls as well as provide a stronger network to address potential threats / support new communities to take action
Output 6.2. Detailed management and restoration plans for set aside and buffer areas formulated, implemented and monitored	
Communities seeking to restore, and conserve areas have limited capacity for land use and management planning or integrating these plans into Ward, LLG or district planning process limiting the strength of protection, opportunities for finance and clarity of management.	The GEF alternative provides targeted incremental support to communities to develop land use and management plans based on a combination of traditional and scientific information that are integrated into Ward, LLG and District planning processes and that will work with technical and strategic support to production systems undertaken within Component 2 as well as broader land use planning under Component 1 to establish clear approaches to land management at the local level.

The outcome contributes to strengthening action on landscape scale restoration while also helping to support action on maintenance of deforestation free supply chains undertaken within Component 2. By working to strengthen the capacity of community groups to work together and build a collaborative network linked to the management and protection of restoration, buffer and set aside areas (6.1) while also developing land use (6.2) and management and financing plans (6.1) for areas to be set aside for community conservation the project will support action to restore degraded areas as well as to manage agricultural expansion. The work builds on actions initiated under the GEF4 CbFCCRM project which has now been completed and works to further support communities seeking to restore areas as well as effectively balance agricultural expansion and conservation and ensure that initial action is consolidated into long term sustainable approaches to land use management, an element that is at risk with many areas currently needing to operate unsupported for the first time with limited capacity to do so. The project will also work with the existing GEF6 PA financing project to help develop practical models for supporting communities undertaking conservation actions especially at the frontier of agricultural expansion. The current project provides an incremental benefit to the GEF6 baseline investment by providing a significant increase in areas in which financing plans can be developed. With one of the GEF6 pilot areas based within the Kimbe Bay of WNB now there will be significant opportunities for shared learning and cost savings linked to engagement with many of the same stakeholders and provincial planning processes. *Achievement through the outcome will be assessed by an increase in the number of communities engaging in enhanced set aside, buffer zone management and restoration activities.*

Output 6.1. Increased capacity of community groups to effectively manage community-based conservation restoration, set aside, buffer and conservation areas through capacity building of community groups, strengthening coordination networks and development of sustainable finance plans

The project will work to strengthen the capacity of target communities across New Britain to effectively manage and develop restoration, set aside, buffer and conservation areas. Targeting of these actions will be based on existing capacity across groups (from the GEF4 CbFCCRM project), intervention targeting under Component 2 as well as maps and information on priority areas developed under both Component 1 and Outcome 5 ? specific locations are however yet to be identified. It will also help to strengthen coordination across groups as well as key skills in both group and landscape management. Support will be provided to enhance groups capacity to share skills and experience between areas as well as to manage community-based organizations including finance and record keeping with a particular focus on ensuring full access to training for women and other marginalised groups within society. Training will also be provided to strengthen land use planning and collective decision making within groups as well as on mechanisms to effectively integrate plans into LLG, and district planning processes.

Through this process and linked to the development of management and restoration plans for priority areas (under 6.2) the project will support the development of restoration plans. A landscape wide approach will be initially developed in partnership with the GEF6 Protected Areas Financing project with support then provided to the development of site-specific plans based on their individual needs. Central to this will be ensuring the full recognition of areas within both national systems led by CEPA as well as provincial, district and LLG plans. Links will also be developed based on sustainable agricultural production with high quality land use plans providing a strong supporting link for investment from cocoa firms seeking deforestation free supply chains.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
6.1.1	Network meetings		X	X
6.1.2	Training on financial management		X	X
6.1.3	Training on land use management and planning		X	X
6.1.4	Review of existing financing needs across proposed areas based on management plans		X	X
6.1.5	Review of potential financing sources			

6.1.6	Development of outline financing strategy for CCA?s across province and support to development of site-specific financing plans		X	X

Output 6.2. Detailed management and restoration plans for set aside and buffer areas formulated, implemented and monitored

The project will work with target areas identified through mapping activities in Outcome 5 as well as Component 1 and linked to the 14 existing and proposed conservation areas across New Britain to enhance the understanding of communities of the nature of restoration and SLM approaches and to improve the integration of these approaches into both their existing management and land use plans. The process will focus on five target areas, with other communities learning through participation in training and shared learning process. It will focus on initially increasing community understanding of SLM approaches and how these can be integrated into both production and conservation areas across the landscape within and surrounding the conservation areas to help maintain environmental integrity. Communities will then be supported in developing more detailed land use plans, management and restoration plans will then be developed linked with the SLM and costs and work plans identified.

The Project will provide support to networking of conservation area management groups to enable the sharing of ideas, skills and resources were appropriate as well as support to the development of long-term financing strategies (under Output 6.1).

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
6.2.1	Training on SLM		X	X
6.2.2	Participatory mapping exercises drawing on and further developing information on land use values developed under 1.3.		X	X
6.2.3	Development of management plan to support land use mapping and plan		X	X
6.2.4	Development of base level monitoring system for plan		X	X
6.2.5	Support to identification of key actions areas within the plan and opportunities for further development		X	X

Component 4: Knowledge management and impact monitoring

The Component 4 supports action across all three long-term objectives implemented through one main Outcome. By bringing together a programme of systems leadership, with engagement in the global

FOLUR programme and central elements of knowledge management and programme governance, the component will help to address key barriers linked to institutional capacity and coordination as well as knowledge gaps within key stakeholder groups.

The system leadership programme will support the establishment of a cadre of leaders within key project intervention areas with these individuals empowered through the training they receive and the ongoing implementation of the project to deliver real change within the institutions and sectors while also catalysing actions by others. These elements will also link closely with engagement of the country project with the broader FOLUR community of practice. A framework within knowledge and skills from the project can be shared with the project also gaining insight and understanding from other country projects as well as global best practice. This inter linkage between global, regional, national and local networks and skills will be critical in supporting the delivery of technical elements of the project and overcoming many of the political, social and institutional barriers that often prevent change.

Key knowledge from the project will also be captured through a comprehensive approach to knowledge management and sharing that will also feed into and be part of the monitoring and evaluation, and adaptive management of the Project. This will ensure that the Project gathers and shares lessons systematically and efficiently. Second, it will support adaptive management through monitoring and evaluation of not only project outcomes and outputs, but also impacts. Additionally, the project will encourage collaboration specifically with the regional FOLUR program and create synergies where possible with domestic work programs focusing on land degradation and biodiversity conservation.

Outcome 7: Integrated knowledge management, coordination and collaboration to enhance knowledge of factors to foster lessons learned for replication in other areas

The outcome will focus on effectively monitoring the causal pathways of change within the project and supporting management responses to them as well as capturing the lessons learned from this process to share broadly across partner countries. Through engagement across the global FOLUR programme and within tailored capacity building programme, the outcome will also help to strengthen the knowledge base and capacity of key stakeholders to take action in further driving change both within the project time frame and beyond.

The baseline situation and incremental reasoning for Outcome 7 are summarized below:

Summary of baseline situation	**Incremental reasoning**
Output 7.1: Establishment of a FOLUR community of practice and leadership group with capacity to share knowledge and skills domestically and internationally	

PNG continues to take action to address unsustainable agricultural practices but has limited international links or awareness of approaches within different countries, limiting level of impact on global supply chains as well as PNG?s capacity to take action.	The GEF alternative provides access to the FOLUR Global Platform, led by the World Bank and developed to leverage policies, practices and investments that help to transform commitments into action and improvement on the ground, engaging with both the public and the private sectors, at global, regional and country levels. A systems leadership approach will also be adopted to help create a cadre of domestic leaders able to facilitate and drive transformative change at the local and national level.
Output 7.2: Project implementation coordinated through proactive steering committee functions and inclusive monitoring and evaluation	
In PNG, several government agencies, such as CEPA and CCDA, already have experience implementing GEF-financed and other donor projects. Government co-financing has been allocated to support project implementation.	The GEF alternative will ensure that the project is effectively managed while also helping to build capacity and levels of coordination across key agencies engaged in project steering committee and other governance functions. The project management unit (PMU) will be embedded into the implementing partner?s operations, and the provincial coordinators will be stationed with government counterpart departments. The project will contribute to FOLUR programme level M&E through its harmonized results framework and coordinated implementation and reporting procedures.
Output 7.3: Inclusive participation of local communities, including women and indigenous peoples, facilitated through effective implementation of environmental and social management plan	

Local communities are widely socialized to sustainable development principles. Rural communities in the project landscapes are heavily reliant on natural resources for their livelihoods, and there are multiple protected areas among the project landscapes. The awareness and collaborative participation of local communities in development projects have been enhanced through government, donor, private sector and civil society projects and programmes. Gender mainstreaming and inclusion of traditional peoples are well established in legal frameworks and on the ground in the project jurisdictions. More information is provided in Annex 4 (*Social and environmental screening procedure*), Annex 8 (*Stakeholder engagement plan*), Annex 8 (*Environmental and social management framework*) and Annex 9 (*Gender analysis and action plan*).	Inclusive involvement of women, traditional peoples and local communities is critical in the success of the project. Gender and social inclusion priorities have been integrated into the design of the project interventions; specific activities will be further reviewed as part of the environmental and social management planning process at project inception. The full-time National Technical and Safeguards Officer will work with the landscape level coordinators and contracted specialists to ensure targets associated with inclusion of women and traditional peoples are fulfilled.
Output 7.4: Implementation is monitored and evaluated to assess causal impacts and systemic change	
Often, project monitoring and evaluation is restricted to project outputs, outcomes and objectives. It barely captures the causal impacts of project interventions in the landscapes, nor it measure the systemic change delivered through project interventions.	The GEF alternative will assess the impacts (both intended and unintended) of project interventions, including the magnitude, to determine if project interventions should be continued, halted, or upscaled. The results of impact assessment will inform decision makers, both at the project and programme levels, of appropriate actions (e.g. adaptive management) moving forward.
Output 7.5: Lessons learnt captured, and knowledge products generated and disseminated globally, regionally, nationally and across target provinces and landscapes	

Limited information is shared on success stories of how change has occurred in production systems and where barriers exist to widespread change limits capacity of other communities and stakeholder to take action.	The GEF investment will support data and information collection from landscape-level implementation. These data and information will be used to develop thematic lessons related to project interventions on what have and have not worked in the landscapes. These lessons learned will help inform future project designs and approaches for ensuring sustainable food systems, land use and restoration, as well as to enhance the impact of other or future GEF-funded projects and programmes. These lessons will also be disseminated across FOLUR landscapes and nationally, as well as with FOLUR regional and global practitioners.

Output 7.1. Establishment of a FOLUR community of practice and leadership group to share knowledge and skills domestically and internationally

Key deliverables under this output include the following:

- Participation of relevant FOLUR PNG ?s representatives in the annual Regional and Global FOLUR platforms;

- Participation of relevant FOLUR PNG?s representatives in Green Commodity Programme (GCP)?s Community of Practice;

- Participation of relevant FOLUR PNG?s representatives in commodity-based regional-level knowledge exchanges, especially with Indonesia and Malaysia;

- Contribution to the development of the Global FOLUR annual progress reports and M&E reports; and

- Contribution to the development of the Global FOLUR knowledge, technical and policy products

- Systems leadership enabled with the national level champions for rollout in project landscapes with local champions, including representatives of indigenous groups, young farmers and women.

As one of FOLUR?s 27 child/country projects, the FOLUR-PNG Project will link to the FOLUR Global Platform, led by the World Bank and synergize with other domestic work programs. The Global Platform and its partners will support individual country projects with knowledge, technical assistance and capacity building in promoting sustainable value chains. This platform is organized into 3 pillars:

A ? Programme Capacity Strengthening: focusing on providing technical assistance and innovative approaches for country projects to effectively implement the project.

B ? Policy and Value Chain Engagement: focusing on engagements with private and public sector actors to achieve sustainable value chains in FOLUR countries.

C ? Strategic Knowledge Management and Communications: focusing on knowledge management and exchanges across FOLUR countries and partners.

The PNG project will actively participate and contribute to the Global Platform as part of its effort to achieving FOLUR objective at the country-level. In this case, the project will participate in relevant FOLUR global events, as well as in regional engagements and platforms. The project will also contribute to the development of FOLUR annual progress reports, quarterly monitoring and evaluation as well as lessons learned management and dissemination.

In addition, the project will support participation of a key cadre of stakeholders to attend a global programme of training focused on supporting system transformation. Participants will gain exposure and training in a comprehensive approach to systems change looking at both personal, organizational and systems elements. Through provision of training linked with the other FOLUR programmes in Indonesia and Malaysia, will develop skills as well as perspective on different approaches. They will then be supported on return and through the project lifetime to integrate this work into their areas of action and to pass on skills and experience to other members of their professional and personal community.

Furthermore, the Global FOLUR will develop and provide various policy guidance notes, training materials, capacity building and related technical supports for the country project. Here, FOLUR PNG will utilize these technical exchanges to address various knowledge gaps, especially those related to integrated landscape management, gender mainstreaming, private sector engagement, sustainable production systems and policy formulation. The country project will also gain from similar FOLUR regional exchanges such as with Malaysia and Indonesia in issues related to oil palm and cocoa.

In addition, the project will support the development of a cadre of leaders within the two sectors as well as relevant other line agencies and stakeholder groups who will engage in a programme of system leadership training. This training will help support a transformative change in the way these leaders address challenges within the sector and will work on a cumulative basis with those trained within the first year of the project then utilising their skills to engage with others within their areas of work to help lead transformational processes that both address barriers and also build the capacity of their peers, through a supported process. Participants in this programme will be selected through a comprehensive but flexible selection process that will be guided by criteria that ensure the candidates are well placed to support future change. By requiring candidates to apply to the programme it will also help to ensure that they are motivated for and committed to engaging in the programme. In this way the project will not only provide the forum for effective multi-stakeholder engagement but will also build the capacity of key leaders to support those fora in driving change.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
7.1.1	Participate in annual Regional and Global FOLUR?s conferences	X	X	X
7.1.2	Participate in GCP?s conferences	X	X	X
7.1.3	Participate in other relevant knowledge exchange programmes or platforms to disseminate lessons learned from FOLUR-PNG implementation	X	X	X
7.1.4	Contribute to the development of Global FOLUR annual progress reports and quarterly M&E reports	X	X	X
7.1.5	Contribute to the development of Global FOLUR knowledge, technical and policy products	X	X	X
7.1.6	Contribute to commodity-based regional-level knowledge exchanges, especially with Indonesia and Malaysia	X	X	X
7.1.7	Undertake a selection process for systems leadership trainees	X	X	X
7.1.8.	Identify candidates for systems leadership training ensuring equitable representation across genders	X	X	X
7.1.9.	Support ongoing systems leadership training	X	X	X
7.1.10	Deliver first year training through multiple short courses and support ongoing training and support.	X	X	X

Output 7.2. Project implementation coordinated through proactive steering committee functions and inclusive monitoring and evaluation

The project will be implemented in accordance with guidance from GEF and UNDP, and in effective partnership with key stakeholders in PNG. A project steering committee will provide guidance on project implementation, which will also be supported through UNDP and GEF guidance documents as well as a technical advisory group. Project progress will also be monitored and evaluated in line with UNDP and GEF M&E policy.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB

7.2.1	Organize the project inception workshop, including review of multi-year work plan, project results framework, tracking tools/GEF Core Indicators, stakeholder engagement plan, environmental and social management framework (ESMF), etc.; a record of the inception workshop will be documented in a project inception report.	X		
7.2.2	Organize annual project stakeholder workshops, supported by the Technical Advisory Group, as part of the annual work plan preparation and adaptive management.	X		
7.2.3	Organize project steering committee meetings annually at a minimum.	X		
7.2.4	Carry out a midterm assessment of the GEF core indicators for the project and other results. (see also output 7.3)	X	X	X
7.2.5	Procure and support an independent midterm review of the project, according to UNDP and GEF guidelines.	X	X	X
7.2.6	Carry out an end-of-project assessment of the GEF core indicators for the project and other results	X	X	X
7.2.7	Undertake independent terminal evaluation of the project, according to UNDP and GEF guidelines (see also output 7.3)	X	X	X
7.2.8	Prepare the final report for the project; including the PIR for the last year of implementation, the terminal evaluation report, and the management response to the terminal evaluation report.	X	X	X

Output 7.3. Inclusive participation of local communities, including women and indigenous peoples, facilitated through effective implementation of environmental and social management plan

As a GEN-2 marked project, the project will ensure the full and effective participation of local communities, including women and indigenous peoples through the full implementation of an environmental and social management plan. Aligned with UNDP?s SES Overarching Policy and Principles, the project will identify potential social and environmental risks and opportunities. Here, the Project will ensure the incorporation of appropriate management and budgetary resources to mitigate and address any identified social and environmental risks.

During the project preparation, a Social and Environmental Screening Procedure (SESP) had been undertaken to identify potential social and environmental risks and opportunities associated with the Project. Some categories had been identified as high risk, meaning that there are potential significant adverse risks or impact associated with Project activities. Due to this reason, the Project in the beginning of its implementation will undertake a Social Environmental and Social Impact Assessment (ESIA) and develop an Environmental and Social Management Plan (ESMP).

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
7.3.1	Carry out an Environmental and Social Impact Assessment (ESIA) and develop an Environmental and Social Management Plan (ESMP) including review of SESP for any new risks to the project.	X	X	X
7.3.2	Implement the ESMP and monitor potential environmental and social impacts, as well as co-benefits generated through implementation of relevant mitigation measures. In Year 4, social benefits/impacts associated with the project interventions in the target landscapes will be evaluated through a participatory assessment.	X	X	X
7.3.3	Implement the gender action plan.	X	X	X

Output 7.4. Implementation is monitored and evaluated to assess causal impacts and systemic change

The key deliverables of this output are:

- An Impact Evaluation Framework developed for FOLUR Project to monitor and evaluate causal impacts and systemic change.

- Monitoring and evaluation of project implementation, including additional report on causal impacts and systemic change brought by the project at the national and sub-national levels.

The causal impact evaluation is necessary to assess how FOLUR PNG interventions lead to the expected outcomes and objectives as outlined in the project?s theory of change (ToC) or impact pathway. The results will be important to inform decisions if the interventions should (or should not) be continued, expanded or replicated. In general, the impact evaluation design consists of the following elements:[1][2]

- The evaluation questions

- The theory of cause and effect, which will be accepted as providing sufficient answers to the questions

- Definition of necessary data to examine the theory

- Framework to analyse the data to provide sufficient explanation of performance against the theory.

The project may use combined two or more methods when conducting the impact evaluations of the ToC. These methods may include (i) quantitative (i.e. quasi-experimental quantitative method), (ii) qualitative (i.e. General Elimination Methodology, Process Tracing, Contribution Analysis), (iii)

participatory method to obtain stakeholder perceptions, or other appropriate methods. In fact, since the project covers multiple sectors and stakeholders, it is recommended that the evaluation uses combined methods. It may be useful to consider a joint-evaluation framework when there are more than one implementing agencies involved in the project.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
7.4.1.	Develop the most appropriate Impact Evaluation Design for FOLUR Project based on the established ToC	X		
7.4.2.	Referring to the ToC, conduct the Evaluability Assessment, which main output is a report detailing the analytical and methodological approach of the impact evaluation	X		
7.4.3.	Finalize the Impact Evaluation framework for FOLUR PNG Project	X		
7.4.4.	Conduct quarterly monitoring and evaluation, as well as impact evaluation of the project, and generate two reports:	X	X	X
7.4.5.	Mandatory quarter M&E reports	X	X	X
7.4.6	Reports on impacts and systemic changes driven by the Project at the national and sub-national levels	X	X	X
7.4.7	Based on these reports, conduct adaptive management where necessary	X	X	X

Output 7.5. Lessons learnt captured, and knowledge products generated and disseminated globally, regionally, nationally and across target provinces and landscapes

Under this output, the key deliverables are:

- Knowledge Management and Outreach Strategy and Action Plan developed
- Data-collection drive for FOLUR PNG in operationalized and maintained;
- Lessons-learned captured across FOLUR interventions and landscapes; and
- Knowledge products for public dissemination including through FOLUR PNG annual workshops.

The project will collect data and trends in the project landscapes, as well as capture of lessons learned at the local and national level as well as through engagement with the regional and global FOLUR communities of practice. The project will also develop a range of knowledge products that can be

utilized both within project implementation to help inform stakeholders of the opportunities and pathways towards sustainable landscape management and internationally to showcase change and sustainable practices within PNG. These products will be linked closely with the work of the commodity platforms as well as work on development planning to both help inform change domestically and promote PNG products internationally. Additionally, these lessons learned will help inform future project designs and approaches for ensuring sustainable food systems, land use and restoration, as well as to enhance the impact of other or future GEF-funded projects and programmes.

All of these lessons-learned reports or products will be disseminated publicly to stakeholders in Papua New Guinea as well as outside the country. Within Papua New Guinea, lessons will be presented through the annual FOLUR-PNG?s community of practice (CoP). And at the regional and global levels, these lessons will be disseminated through FOLUR Regional and Global CoPs and exchanges.

Indicative activities will include:

No.	Activity description	National level	West NB	East NB
7.5.1.	Develop Knowledge Management and Outreach Strategy and Action Plan	X		
7.5.2.	Establish data-collection drive for FOLUR-PNG Project?s data saving	X		
7.5.3.	Develop a dedicated website for the project	X		
7.5.4.	Collect all lessons learned information (the national and sub-national levels) across FOLUR interventions and upload them into the drive	X	X	X
7.5.5.	Develop knowledge products around the experiences of promoting sustainable production of commodity/crop, landscape management and restoration	X	X	X
7.5.6.	Disseminate the knowledge products to public	X	X	X
7.5.7	Convene annual FOLUR-PNG?s lessons-learned workshops to disseminate knowledge products and lessons learned	X	X	X

4) Alignment with GEF focal area and/or Impact Programme strategies

In line with the objectives of the FOLUR Impact Programme, the components, outcomes and outputs of the project will focus on:

(1) Promoting sustainable food systems to meet growing global demand:

PNG the world?s 3rd largest palm oil exporter[3], with all exports until recently coming from RSPO certified areas with PNG having the **3rd largest Round table on Sustainable Palm Oil (RSPO) certified area globally** at over 186,000 ha. It also has a **smallholder centred cocoa system** and is the **8th largest exporter of cocoa globally**. With 90% of this production being classified as smallholder subsistence production it forms a central part of the livelihoods of rural communities engaging some 16% of PNG rural population rising to over 30% in coastal areas. The project will help to strengthen these production systems and maintain and enhance supply chains that support increases in productivity and production from these systems while helping to maintain and strengthen sustainability. This will be achieved through an approach that:

? Provides farmers with the skills, knowledge and capacity to enhance levels of productivity and profitability of farming systems without impacting the sustainability of production systems or causing impacts outside their current footprints.

? Supporting the development of hybrid livelihood approaches that integrate domestic ad household production with commercial agricultural production systems to ensure strong levels of food security and resilience for a rapidly growing domestic population.

(2) Promoting deforestation-free agricultural commodity supply chains to slow loss of tropical forests:

PNG presents an opportunity to showcase opportunities for how agricultural commodity supply chains can be strengthened within high forest countries. Central to this will be the need to address incentive mechanisms that guide farmers, communities and private sector bodies. The project will help to work throughout the value chain to help create an enabling environment that promotes deforestation free production and purchase agreements.

At the national and local levels, the project will work within the key sectors to help identify how sustainable supply chains can be developed and supporting enabling environment created through participatory development of sector action plans and subsequent regulations, including financing incentives and disincentives for deforestation action. It will also work on the strengthening and development of land-use planning systems and regulations that help to inform and guide decision making around land-use that supports sustainability and presents disincentives for deforestation.

At the global level project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDPs Green Commodities Programme and Good Growth Partnership, as well as through other means offered by FOLUR global platform including establishment of a buyer group for oil palm and cocoa. These connections will facilitate the project linking to global buyers interested in sourcing from sustainable deforestation free commodity production systems. The project will ensure that the national commodity platforms for cocoa and palm oil supported within the project is connected to the global commodity initiatives (RSPO, WCF, etc.) and serves as a principal forum for convening the global and national supply chain stakeholders in the country.

(3) Promoting restoration of degraded landscapes for sustainable production and to maintain ecosystem services:

In line with this FOLUR IP objective, the landscape approach of the project will also focus on supporting restoration landscape areas that have undergone degradation. Restoration approaches will include both facilitating the natural regeneration of areas degraded by logging and rotational agriculture through allocation of set aside as well as proactive restoration of key target areas in particular those important for provisions of environmental services such as protection of waterways and prevention of degradation of agricultural lands through excess run off. In all approaches the project will build on appropriate national and local approaches and will focus on a community-centred approach to land management.

5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing

Information on the specific incremental reasoning against an alternative scenario by outcome is included within sub-section 3 above.

Across the project however the GEF alternative scenario focuses on providing targeted and incremental support to both progress key initiatives linked to sustainable land use planning and management and sustainable production systems and to bring these initiatives together at the local, national and international levels to fully catalyse transformation change in the way key agricultural commodities are produced.

Interventions build on the initiatives of the government of PNG seeking to support and strengthen key policy objectives such as establishment and operationalizing a National Sustainable Land Use planning framework (Component 1), increasing productivity of key agricultural products (the project?s focus is on cocoa and oil palm) while also increasing levels of certification and access to premium markets for cocoa (Component 2) as well as strengthening action to monitor and enforce action on deforestation while setting aside more land for conservation and restoration (Component 3). The alignment of actions across components and incremental nature of support to government initiatives can be seen by the significant levels of co-finance being committed by government as well as other development partners, with GEF support allowing the transition from development of such policy statements to the putting in place and testing of clear frameworks for their achievement. Something that will also be made possible by the projects targeted actions to bring together different sector agencies and levels of government as well as private sector and civil society actors to ensure that approaches are synergized and that areas of cost-saving and coordination are realized.

These elements are also highlighted by the targeted support provided within Component 4 that will help to link action at the local and national level with international markets and systems as well as promoting shared learning and collaborations at the regional level between countries. This level of knowledge management and lesson learning will be critical in ensuring that key decision makers fully engage with the process of change and are able to see the broader vision of sustainable agricultural development.

Within this context effective engagement with private sector groups and initiatives is paramount. The project?s targeted support to help coordinate engagement between private sector and government to ensure effective policy and regulatory formulation as well as to help develop training tools and systems for their roll out and scaling up through privatized extension services are key elements of this and build on both formal (e.g. Outspan?s action to roll out Olam Farmer Information System in PNG to ensure full traceability of production, HOPL?s work on trailing privatized extension services to small-holders, engagement of companies in work on the EU?s guidance on deforestation free palm oil) and informal (action by individual companies to lobby for policy and regulatory change or establish targeted partnerships to increase access to export markets) actions by the private sector. Indeed within the project roll out it is these actions that will be further developed through project interventions with roll out and testing of them co-financed by companies. The close links with private sector actors is illustrated by their co-financing commitments, which remain in place despite significant cost cutting and budget revisions that have resulted from recent impacts of COVID -19 on global supply chains.

6) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF)

Global Environmental benefits:

The project will generate global environmental benefits in the biodiversity, climate change mitigation and land degradation focal areas as follows:

Biodiversity:

? Reduction in the rates of deforestation in the landscapes, resulting from improved landscape governance, market-based standards requiring deforestation-free production, and improvements to the sustainability of agricultural production in order to reduce motivations for expansion.

? Reduction in the biodiversity impacts of agricultural expansion in areas of convertible forest, by tailoring expansion and subsequent land use and management practices there to spatial variations in biodiversity values.

? Reduction in the degradation of the biodiversity values of protection forests through improved forest governance, and support to livelihood sustainability in forest-dependent communities in order to reduce their motivations for unsustainable extraction of forest products.

? Reduction in the degradation of the biodiversity values of managed forests, through support to low-impact social forestry practices tailored to local conditions.

? Optimization of biodiversity values (connectivity and habitat value) in production landscapes through the promotion of biodiversity-friendly production systems (such as tree crops with diversified composition and structure), diversified farming systems and the establishment and/or maintenance of corridors and set-asides.

? Reduction in the negative impacts of production practices on aquatic ecosystems (pesticide contamination and eutrophication from fertilizer run-off) through the promotion of sustainable low input management options.

? Restoration of ecosystems in areas of importance for biological connectivity or habitat, using appropriate species and management regimes tailored to the ecological needs of priority species.

Climate change[4]:

? Reductions in the rates of loss and degradation of forests, as described above, will also translate directly into reductions in the rates of loss of carbon sinks and consequent greenhouse gas emissions.

? The restoration of forest areas, and the promotion of structurally and compositionally diverse tree-based production and farming systems, will result in net increases in carbon capture as well as enhanced climate resilience of cropping systems.

? Improvement of tree cover through introduction of multi-strata agroforestry system.

? Reductions in the use of artificial fertilizers, due to the increased use of agroecological practices, will result in reduced GHG emissions.

Land degradation

The promotion of sustainable management practices in the target crop production systems will contribute to maintaining and promoting long term productive potential of the land, by:

? Reducing the decline of soil fertility (?nutrient mining?), through the application of Good Agriculture Practices and integrated nutrient management practices.

? Reducing the build-up of salts and chemical pollutants in the soil from excessive or inappropriate fertilizer and pesticide application.

? Improvement of tree cover through introduction of multi-strata agroforestry system, as mentioned above.

? Reducing soil erosion by providing for adequate soil cover and other runoff control measures.

? Maintaining and promoting the functioning of beneficial biological processes in production systems and maintaining soil health (e.g. pest and disease control by beneficial insects, nutrient cycling), through the application of integrated pest management and conservation agricultural practices.

These global environmental benefits are reflected quantitatively in the GEF-7 Core Indicators (see *Annex 14* of the Project document). Below are the summarized contributions towards GEF-7 core indicators and targets.

Focal area	**GEF-7 core indicators and targets**	
Biodiversity	4.1. Area of landscapes under improved management to benefit biodiversity	2,690,870 ha
	4.4. Area of High Conservation Value Forest (HCVF) loss avoided	21,494 ha
Climate change	6.1. Carbon sequestered or emissions avoided in the AFOLU sector	32.3 million tCO2e (direct-project lifetime, 20-year estimate)); indirect target will be estimated at MTR
Land degradation	3.1 Area of degraded agricultural lands restored	10,000 ha
	3.2. Area of forest and forest land restored	40,000 ha
Cross-cutting	11. Number of direct beneficiaries disaggregated by gender as a co-benefit of GEF investment	66,647 individuals (28,838 females and 37,809 males)

7) Innovativeness, sustainability and potential for scaling up

Innovativeness: The project has significant potential to have impact well beyond its target landscapes across New Britain and indeed PNG. By focusing on an innovative multi-stakeholder approaches to transformational change, supported by the adoption of technological solutions (including use of mobile phone aps to report environmental infringements (Outcome 5), use of tablet based tools to support land use planning (Outcome 1) and improved use of technology to support establishment of traceability and payment systems for cocoa such as payment cards) that help to address traditional challenges of scaling and replicability the project will help to both develop key changes in culture and vision of how development can be delivered across PNG while also providing the tools for key actors to achieve this.

The development of consensus on how best to integrate land use and development planning and build a process that is both bottom up and top down, in line with PNG?s stated planning framework and for this to be integrated with the country?s planning framework the project will provide the key political (a national and community level) and budgetary support for the roll out of SLUP planning across PNG. This process will be facilitated and enabled by the development of innovative tools that bring together extensive levels of information and significantly reduce the operational costs of developing and formalizing plans. This process will also be supported by the development of tools to support the monitoring and enforcement of these plans at both the site and landscape level through use of remote data sets on deforestation alerts and mobile apps that can easily be rolled out to other provinces.

Sustainability: The project has a strong focus on sustainability by targeting the establishment of human and institutional capacity as well as networks in key areas of land use planning, agricultural development and environmental management and conservation that will be able to effectively operate at the end of the project. Within this the project also targets a number of technical inputs as well as structural approaches to enhance sustainability and facilitate an exit strategy. For example, within all main areas of activity sustainable financing plans are being developed to ensure mechanisms put in place can be financed, with regard to agricultural platforms the process of financial hand over is also scheduled to start two years before project end to provide time for a phased hand over. Similarly, key technical support staff are also programmed to ?phase out? in the final two years of the project ensuring that there is a significant period for hand overs as well as the opportunity to support partners transition to new financing or operations gradually.

Within the commodities space assessment of development scenario?s for palm oil and cocoa and revisions to policy and support in these sectors including extension systems will also have far reaching

impacts across the country with multiple provinces currently looking to support rapid expansion within these two commodities. Progress towards effective change that helps to drive growth in productivity, income and resilience within a sustainable framework within these sectors is also anticipated to support change across other commodities with similarities in production systems between cocoa and coffee providing many opportunities for learning.

Potential for scaling up: At a global scale lessons on how to manage the strengthening of the commercial agricultural sector within a high forest country such as PNG will also provide valuable global lessons on how to deliver global initiatives for ?deforestation free? supply chains while maintaining options and income opportunities for communities. Collaboration with biodiversity and land degradation work programs in PNG, including the STREIT, PACD and other financed GEF projects will be encouraged to target enhanced integration of land use and development planning system across provinces as well action on sustainable agriculture and conservation actions and finance. Similar approaches will also be taken at the global and regional levels through the FOLUR platform to seek how key impact areas can be targeted across countries. Information sharing will facilitate collaboration and upscaling through lessons learned and attendance at fora with participating FOLUR countries in the region. Work through global supply chains and through establishing global networks of buyers and producers, catalysed by the FOLUR Global Platform and work of the GCP, will also help a transition amongst buyers towards responsible sourcing practices that help to demonstrate clear price and market access signals to producer countries such as PNG. Collaboration with national work programs, links to other PNG projects, as well as with other projects/programs in the FOLUR region will be encouraged through participation in the regional and global platforms, and through information sharing and ?lessons-learned?, facilitating further improved synergies and scaling up.

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[1] For more details, see United Nations Evaluation Group?s Guidance Document on ?Impact Evaluation in UN Agency Evaluation Systems: Guidance on Selection, Planning and Management?

[2] For more details, see United Nations Evaluation Group?s Guidance Document on ?Impact Evaluation in UN Agency Evaluation Systems: Guidance on Selection, Planning and Management?

[3] By value

[4] See Annex 21 for further information on identified climate risks and areas of benefit within the project

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

Please refer to ***Annex E***

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

This project is one of 27 country projects under the GEF-7 FOLUR Impact Program (GEF Program ID 10201). The project?s integrated approach contributes to the FOLUR program?s theory of change, advancing the global agenda of fostering transformational change and greater environmental sustainability in food systems and land management. Simultaneously addressing commodity supply chains, land use planning systems, landscape-level restoration and working to shift the mindsets and relationships of people in the system, enables systemic barriers to conservation of globally valuable forests and peatlands to be addressed. The project components will contribute towards the FOLUR programmatic outcomes as shown in Project Document *Table 2*, copied below.

Project Document Table 2. Project Contributions Towards FOLUR Programme Results.

FOLUR Impact Programme		**PNG Country Project**	
Programme Objective:		**Project Objective:**	
GEF Core indicators		**GEF Core indicators**	
Indicator 3: Area of **land restored (**Hectares)	2,387,402 ha	**Indicator 3:** Area of **land restored (**Hectares)	50,000 ha of land restored (10K ha of degraded agricultural lands; 40K degraded forest lands)

Indicator 4: Area of **landscapes under improved practices** (excluding protected areas) (Hectares)	42,954,864 ha	**Indicator 4:** Area of **landscapes under improved practices** (excluding protected areas) (Hectares)	2,712,364 ha (2.69 million ha under improved practices; 21,494 HCVF loss avoided)
Indicator 6: Greenhouse Gas Emissions Mitigated (metric tons of CO2e)	304,701,753 tCO2e (direct)	**Indicator 6: Greenhouse Gas Emissions Mitigated** (metric tons of CO2e)	32.3 million metric tons of direct lifetime post-project; indirect lifetime contribution will be estimated at MTR
Indicator 11: Number of **direct beneficiaries disaggregated by gender** as co-benefit of GEF investment	7,277,223 (3,609,733 female)	**Indicator 11:** Number of **direct beneficiaries disaggregated by gender** as co-benefit of GEF investment	66,647 (28,838 females and 37,809 males).
Programme Component 1: Development of integrated landscape management systems		**Project component 1:** Development of integrated landscape management systems	

Outcomes: ? Participatory planning and mapping for improved land use & management at landscape level promoted ? National land use plans and policies on land use planning and management influenced ? Governance systems strengthened and capacity built across landscape and land use management institutions and at national level ? Policies and incentives promoted for innovation & scale up of sustainable practices at national scale. **Indicators:** ? Number of landscapes or jurisdictions with improved planning & management practices to foster sustainable food systems ? Number of countries with improved enabling conditions, institutional mandates, and incentives for SLM ? Number of landscapes or jurisdictions with environmental / sustainability standards in place, enforced ? Number of national multi-stakeholder dialogue mechanisms/platforms effectively operated for integrated landscape management	**Outcomes:** 1) National Sustainable Land Use Planning Policy Framework, supporting effective management of development activities, formulated, legalized and mainstreamed into the development planning process for two provinces, four districts and four LLGs - **Indicators:** ? Number of national plans and supportive legislative instrument passed by NEC ? Number of jurisdictions utilizing SLUP guidance for development of land use plans designating at least 2,690,870 ha of landscape under improved practices and at least 21,494 ha for complete protection/conservation.
Programme Component 2: Promotion of sustainable food production practices & responsible commodity value chains	**Project component 2:** Promotion of sustainable food production practices and responsible value chains to reduce land stress and avert degradation and deforestation

Outcomes: ? Improved land use practices and restoration activities in major production landscapes adopted and scaled up ? Governance structures & tools improved to reorient stakeholder practices toward sustainable productive use and restoration ? Policies & incentives improved for scale up of climate-smart, sustainable production practices and value chains at national level ? Partners, value chain actors, financiers and investors regularly convened, motivated and influenced to promote innovation, replication & scale up **Indicators:** ? Area of degraded land restored for production ? Area on which producers apply improved agricultural practices as measured by SDG 2.4.1 (area under sustainable agriculture) ? Production area with investment in sustainable, responsible practices in target commodity & food production systems increased ? Number of Companies / Value chain organizations committed to sustainable, responsible sourcing of commodities increased ? Number of national enabling environments promoting sustainable food production and deforestation free commodity supply chains ? Number of national multi-stakeholder dialogue mechanisms/platforms effectively operated for sustainable commodity supply chains and across commodities ? Landscape area with reduced conversion and degradation of forests & natural habitats ? Public and private investments leveraged in support of sustainable commodity value chains through PPP or adoption of sustainability standards and practices	**Outcomes:** 2) Strengthened cooperation and coordination within Cocoa and Palm Oil sectors for enhanced sustainability productivity and investment and reduced land clearance. 3) Strengthened Smallholders Support Systems that promote sustainable agricultural practices through enhanced access to technical support, finance, and markets 4) Strengthened value chains to enable sustainable agricultural production - **Indicators:** ? Number of policies and action plans approved that fully integrate sustainable production. ? Percentage of the operational costs of multi-stakeholder platform structures sustainably financed through government and private sector. ? Percentage increase in income of smallholder farmers through adoption of good agricultural practices. ? Number of farmers adopting enhanced sustainable agricultural practices disaggregated by gender. ? Number of farmers covered by new purchase agreements linked to sustainable production practices and access to higher value global supply chains
Programme Component 3: Restoration of natural habitats	**Project component 3**: Conservation and restoration of natural habitats through public-private-community partnerships

Outcomes: ? Sustainable land use practices and restoration activities scaled up in target landscapes and beyond ? Governance strengthened and institutional capacity built for landscape restoration ? Policies and incentives improved at national level to contain expansion, increase productivity, promote & scale up restoration actions ? Partners, value chain actors, financiers and investors regularly convened, motivated and influenced to encourage responsible & sustainable production, sourcing & marketing **Indicators:** ? Area or number of jurisdictions with improved and participatory approaches for restoration adopted ? Area of landscapes with clarified boundaries and allowable land uses in protected and production systems ? Area of land where degradation is avoided in degraded landscapes / habitats ? Area of degraded land restored for conservation and environmental services	**Outcomes:** 5) Strengthened governance structures and institutional capacity for integrated action on conservation and restoration of natural habitats 6) Enhanced uptake and effective planning and management of buffer zones, set aside and restoration actions the target provinces - **Indicators:** ? Percentage increase in the number of environmental infringements reported and percentage of which follow up monitoring and enforcement action is taken. ? Percentage increase investment in environmental planting and small-scale woodlots for restoration of at least 50,000 ha of degraded land in two target landscapes. ? Percentage of communities in target areas engaging in the 21,494 ha enhanced set aside, buffer zone management and restoration activities.
Programme Component 4: Programme coordination, collaboration, and capacity building	**Project Component 4: Knowledge management and M&E**

Outcomes: ? Management, coordination & M&E effectively implemented ? Programme Capacity Strengthening effectively delivered ? Policy & Value Chain actors effectively and regularly engaged ? Strategic Knowledge Management & Communications effectively implemented ? Programme level mechanisms established to efficiently coordinate country projects with global multi-nationals and industry associations for efficient linkages to supply chains and production systems - **Indicators:** ? Integrated, efficient and effective child projects working toward common global FOLUR goals ? Number of global, regional, national commodity platforms strengthened through adoption of sustainability standards, traceability mechanisms, or increased stakeholder representation ? Strengthened policies of buyers (retail, consumer, traders) for deforestation free commodities and connections and benefits to FOLUR landscapes ? Number of events & documents disseminated to share knowledge beyond FOLUR countries through S-S exchanges, conferences, and global events, including community of practice	**Outcomes:** 7) Integrated knowledge management, coordination and collaboration to enhance knowledge of factors to foster lessons learnt for replication in other areas. - **Indicators:** ? Improvements in multi-stakeholder process ladder of change[1] ? Documentation of sustainable production and sustainable landscape management associated knowledge, as indicated by the number of systems developed or strengthened including: (a) knowledge products, (b) communication pieces/stories (c) traditional knowledge registers, (d) research papers

[1] The ladder of change was developed as part of the initial oil palm platform and reviewed during the PPG phase of this project. It will be updated during the inception phase in partnership with key stakeholders. Current ladder of change diagram is in Annex 21.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

The below text provides a summary of information with relation to stakeholder engagement with a detailed Stakeholder Engagement plan including list of stakeholders engaged within the design phase included within Annex 7 of the project document package.

Effective stakeholder engagement through ongoing partnerships and collaboration will be one of the key factors throughout the implementation of the project. Engagement through multi-stakeholder collaboration and building and/or strengthening existing multi-stakeholder platforms is an important design element for this project to ensure effective implementation of public-private-community partnerships. Key elements of this by Component are outlined below:

Component 1 will work through a number of existing and new multi-stakeholder structures as well as targeted events to ensure full and effective participation of all groups. At the national level the project will support the establishment and operation of a National Sustainable Land Use Planning Coordination Committee, which will bring together key agencies across government as well as stakeholders from public and private sectors. This will provide the central point for consultation and engagement linked to policy and regulatory development, with review and inputs by committee also supported by broader multi-stakeholder awareness raising and consultation events at both national and regional levels. The committee will be supported by a technical working group focused on the development of information management and land use planning information systems that will bring together key technical agencies and relevant stakeholders, with draft plans for the system also opened for public consultation and input.

At the landscape level, an interim working group will be established to bring together action across the two provinces, with the body composing of key government, civil society and private sector representatives. Implementation of subnational planning will then be mainstreamed through key existing provincial, district and local level bodies including the provincial lands board, provincial executive committee and provincial planning committee. Full and effective stakeholder engagement will also be undertaken in terms of land use zoning and plan development with a focus on development of participatory approaches to planning guided by lessons learned through past actions. These approaches will also be guided by the ESMP and IP plan.

Under Component 2 engagement will be led through the establishment and strengthening of the Palm Oil and Cocoa Platforms. As key multi-sectoral and stakeholder bodies at the national level, these platforms will play a critical role in coordinating engagement as well as providing a central focal point for different workstreams and activities under different outputs to be addressed and reviewed. The platforms will be based out of DAL?s Special Project Division but will include key representatives from across government, private sector, and civil society. These structures will also be linked with subnational engagement platforms based out of the provincial agricultural divisions that will provide

opportunities to bring together key stakeholders to discuss approaches to palm oil and cocoa development at the provincial level as well as how these link with provincial, district and local level development plans through coordination with provincial development planning committees.

Specific working groups will also be established to address key technical issues linked to policy reform, agricultural extension services, business capacity, and traceability systems, with these structures complimented by multi-stakeholder workshops and consultation events to help gain broader engagement and participation from a range of stakeholders. The project will also work closely with existing structures for engagement and stakeholder organisation including producer groups and networks within different land-scape areas.

Under Component 3, the project will work with a full range of stakeholders at the provincial levels and national levels. Work under Outcome 5 will focus on bringing together a range of stakeholders at provincial and national level, including representatives of CEPA, PNGFA, CCDA and others to identify how monitoring and enforcement processes can be strengthened as well as working closely with private sector and communities to ensure that monitoring processes are effective and equitable in the way that they are implemented. Technical working groups linked to training of provincial officers and development of monitoring systems will be combined with broader stakeholder consultations the process of designation of authority for environmental monitoring to provincial levels. Work on community conservation areas will build on existing community groups engaged in conservation and land management with the development of a network of groups helping to establish a forum for dialogue and engagement across groups as well as facilitating engagement between groups and other key stakeholder bodies within government and private sector.

Under Component 4 the project will establish both a fully participatory governance framework lead by the project board and fully implemented through the PMU. Technical support through the Green Commodities programme with further help in multi-stakeholder design and implementation of key activities while participation in leadership training and the FOLUR platform at the regional and PNG work program level will strengthen cross agency and sector linkages with participants also carefully selected to ensure representation.

PNG in general and the specifically the target landscapes have an extremely young demographic with over 35% of the population under the age of 15. As such the project will work to ensure that considerations of youth are mainstreamed through the project activities including ensuring the full participation of youth in activities and identifying the potential role that youth will play in the changing landscapes of PNG and thus what information and types of engagement are key to supporting positive change.

Customary Landowners and Local Community Engagement. In PNG, 97% of the land is under customary/traditional ownership by virtue of sovereign rights guaranteed to all Papua New Guineans at Independence[1] by the drafters of the Constitution and the traditional customs and practices of the people of PNG also recognized within section 45 of the Constitution. The term Indigenous People is thus not widely used with a focus more on customary land-owning communities but PNG has ratified UNDRIP / ILO169 and it is considered that land owning communities should be classified as indigenous peoples. The project will have direct engagement with these groups in all elements of project implementation.

The rights of these communities is protected through the National Constitution, Section 53, which recognizes the right of landowners to not be unjustly deprived of their land and the need to respect that right especially in light of relevant international conventions.[2] The Land Act 1996 also provides the process for acquiring Land for development purposes, which requires the use of FPIC, where compulsory acquisition takes place.[3] The process of FPIC is also recognized and respected in Acts of Parliament such as the Forestry Act 1991,[4]the Oil & Gas Act 1998[5], the Fauna (Protection and Control) Act[6] and the Climate Change Management Act 2015[7]in relation to the development or protection of natural resources and environmental projects. The Fauna (Protection and Control) Act also covers matters relating to traditional knowledge associated with biodiversity. According to the Constitution of PNG, customary/traditional peoples have the right and exclusive usufructuary rights over the lands they traditionally occupy. No standardised approach to FPIC however exists across legislation and customary groups and land-owning communities are in many cases not formally arranged to include specific means of representation with customary practices of leadership and dispute resolution being practiced widely. Due to these complexities the project will develop an Indigenous Peoples? Plan as part of the process of developing and ESMP. Within this a comprehensive approach to FPIC will be outlined.

Activities across the project are structured to include smallholders and landowners, with special consideration to vulnerable peoples. PNG has historical issues with female disempowerment, and so the project will emphasize the need for engaging women in all activities across the project. Within component 4, a gender specialist will be engaged to ensure inclusive participation of female stakeholders and facilitate a gender element to the environmental and social management plan (ESMP). There will also be several workshops held over the course of the project (years 3, 4, 5 and 6) dedicated to gender and establishing and implementing the ESMP. The project will hence ensure participation of female smallholders and farmers; representation of land-owning communities will be broad including women and vulnerable groups within these communities.

[1] The rationale for this is contained in the Constitutional Planning Committee Report of 1974, Chapter 5, Human Rights and Obligations and Emergency Powers, Part 1 - Human Rights and Obligations, A. Declaration Of Fundamental Rights And Freedoms and within the section on ?Unjust Deprivation of Property as it relates to all natural born citizens of this country.

[2] This respects the objectives of the UNDRIP Article 10.

[3] Section 10 of the Land Act 1996 recognizes the need for Consent to be obtained prior to acquisition of customary owned land and section 12 provides the process which gives rise to compensation for land acquired by the State

[4] This is seen as part of the FMA process under s.58 of the Forestry Act, in which consultations with customary resource owners is necessary in order to obtain their consent to acquire forest resources in exchange for adequate compensation as per terms stipulated in Project Development Agreements.

[5] Divisions 5 (Social Mapping & Land Owner identification), Div. 6 (Project Consultation), Div.12 (Rights in Respect of Land and Property), Div.14 (Fees and Royalties) and Part IV (Project Benefits) of the Oil and Gas Act 1998.

[6] Section 15(2)(a) of the Fauna Protection and Control Act. Although this is not guaranteed

[7] Section 87, 88 and 89 of the **CCMA 2015** relating to the need for FPIC (landowner recognition and rights over resource and the process of consultation and compensation.)

The below table also provides a summary of the key stakeholders identified for engagement within the project and their roles and responsibilities:

Table 13: Stakeholder Assessment and roles in project

Stakeholders	**Mandate / Interest**	**Role in Project**
Implementing Partner:		

Conservation and Environment Protection Authority (CEPA), including: ? Sustainable Environment Programmes Wing; ? Renewable Resource Wing; ? Policy Wing; ? Special Projects	CEPA is mandated to implement State principles, policies, laws and rules concerning environmental management and conservation of biodiversity and agro-biodiversity in PNG. CEPA is the mandated regulator and issuers of all environment permits for development activities. The Managing Director of CEPA is GEF Focal Point for Papua New Guinea.	CEPA is the implementing partner for the project and will designate a National Project Director (NPD), who will be responsible for overall implementation of the project. CEPA will also set up a Project Management Unit (PMU) and recruit PMO staff, in collaboration with UNDP Country Office. Key roles: Chair of the Project Steering Committee. Chair of the GEF 7 Intersectoral Coordination Committee. Involved in Outputs under Outcomes 5 and 6 (Component 3)
GEF Agency:		
United Nations Development Programme (UNDP)	The UNDP has had a resident office in Papua New Guinea (PNG) for many years, providing a broad spectrum of development assistance, including sustainable management of natural resources, governance, gender equality, and the rule of law.	The UNDP is the GEF Agency for the project and the GEF 7 FOLUR Coordination Agency. UNDP will be responsible to help steer and ensure quality control throughout implementation, to meet UNDP, Government of PNG and GEF standards and strategic objectives. UNDP will be part of the Development Partner on the Project Steering Committee. The UNDP Country Office will provide oversight and implementation support (Execution support) to the project with clear delineation of the oversight and implementation functions. Technical oversight on the nature, climate and energy aspects of this project will be provided by the Regional Technical Advisor (RTA) on Ecosystem and Biodiversity based at the Regional Hub for Asia and the Pacific. **All project outputs.**
Key National Agencies and Central Governmental Stakeholders:		

Department of Lands and Physical Planning (DLPP)	The Ministry of Lands & Physical Planning is responsible for allocating and managing all state land in PNG. DLPP has various laws and regulations that guide the development of land in PNG, both on state and non-state land. DLPP is currently developing a National Sustainable Land Use Policy (NSLUP).	DLPP will be the technical lead for all work under Outcome 1 (Component 1)
Department of Agriculture and Livestock (DAL)	The Ministry of Agricultural and Livestock is in charge of agriculture and rural economic development. DAL works on development strategies and long-term and medium-term development plans for agriculture and rural economy. The ministry directs research and formulates guidelines and policies regarding agricultural production, including control of invasive alien species. DAL works in close collaboration with National Agriculture Research Institute (NARI), National Agriculture Quarantine Authority (NAQIA) and commodity producers to establish and implement technical standards for certification of various agricultural products, protection of nationally important varieties, monitoring and quality control of agricultural inputs, and supervision of domestic animal and plant disease prevention.	DAL will form a key part of the programme implementation team. DAL will take a central role in the technical coordination of **Component 2** (All Outputs under Outcomes 2, 3 and 4) and will be central to coordination action between elements of the agriculture sector including commodity boards and research bodies as well as engagement with private sector.

Climate Change and Development Authority (CCDA)	CCDA has national mandate to coordinate and manage all climate change programmes and projects in PNG. CCDA coordinates with other agencies such as PNGFA, DLPP and DAL to streamline climate smart activities in these sectors. CCDA has a National REDD+ Web Portal, linked to National Forest Monitoring System	CCDA will be a key member of the GEF 7 FOLUR Steering Committee and will provide high-level guidance to the project implementation. They will support linkages between project implementation and PNG?s NDC as well as national adaptation planning. Under Component 1 they will provide an important source of information with relation to potential future climate impacts at provincial level that will feed into planning and will also be a key stakeholder with regard to assessing potential financing mechanisms for sustainable land use through REDD+. Under Component 3 they will also be fully engaged with the development of the remote deforestation monitoring tools. **All Outputs**
PNG Forest Authority (PNGFA)	PNGFA is mandated to sustainably manage PNG?s forest resources. PNGFA is the regulator of the forestry sector and issues various timber/logging permits. The forestry sector has plans in the near term to cease all round log exports and invest in downstream processing. PNGFA also envisions in increasing plantation forests through Painim Graun, Planim Diwai ? an initiative to enable increase in forest rehabilitation and restoration of degraded areas.	PNGFA will be a key member of the GEF 7 FOLUR Steering Committee and will provide high-level guidance to the project implementation. Under Component 1 they will have a strong role in engaging on approaches to land use planning and linkages between this process and the development of national and provincial forest plans. Under Component 3 they will also be heavily engaged in the development of the deforestation monitoring tool and its links to the National Forest Monitoring System as well as work on forest rehabilitation and integration of trees within production systems through their Painim Graun Planim Diwai programme (i.e. reforestation). **All Outputs under Outcome 5**

Department of Provincial and Local Level Government Affairs (DPLLGA)	DPLLGA has the mandate to administer all provincial governments and the processes involved in policy and law-making at the sub-national level, including coordination, monitoring and reporting on government-funded projects in provinces.	DPLLGA will be an important member in the project steering committee to ensure GEF 7 FOLUR project alignment with existing government projects and initiatives and will have critical links related to the integration of land use and development planning and the future sustainability of these approaches and their links with recurrent budgets.
Department of National Planning and Monitoring (DNPM)	DNPM has the central role of planning government projects, submitting to Finance and Treasury for funding and conducting monitoring of impacts, in collaboration with DPLGA. GEF 7 FOLUR as an impact project will need to be aligned with existing and planned development activities for New Britain, and monitored for overall impact.	DNPM will be a member of the GEF 7 FOLUR project steering committee to ensure project alignment with government strategies and programmes. All Outputs under Outcome 7 (but can include monitoring of all other Outputs)
Key Provincial Agencies and Governmental Stakeholders:		
Provincial Administrations	The provincial administrations of both provinces (ENB & WNB) are central to sub-national project implementation. Sub-national governments have the institutional set-ups in place, ranging from the provincial government, districts, LLGs (local level governments) and Wards (represented by a Ward Councillor - the lowest official government representation at community/village level). Provincial Governments are mandated to make policies and laws, specific to issues that pertain to their provinces and manage the affairs of the province.	The Provincial Administrators of each province (or a proxy) will be represented on the project steering committee. The project will also have staff based within the Provincial Administration and will work closely with the administrator particularly, on integration of land use and development planning and bringing together elements of each component into the provincial decision-making process. Member of the Project Steering Committee. **All Outputs**

Provincial & Regional Lands Offices	The Provincial and Regional Lands Office coordinates all land use related matters including the implementation of national policies and strategies in the provinces. As a note, Regional Offices (New Guinea Islands Region) of all national sector agencies are based in East New Britain Province. ENB also has its own provincial Lands Office.	Both Regional and Provincial Lands Offices will be represented in the provincial project coordination committee. Member of the Provincial Project Coordination Committee. All Outputs under Outcome 1 (Component 1)
Provincial/Regional DAL Offices	Provincial and Regional DAL coordinate and implement national policies and strategies on agriculture as well as provincial commitments. DAL works in collaboration with private sector partners, research institutions and local farmers in providing extensions support, technical and capacity support to farmers.	Provincial DAL in collaboration with its national office will help implement this project in alignment with existing agriculture priorities identified in each respective Five-Year Strategic Development Plans for both provinces. Member of the Provincial Project Coordination Committee. All Outputs under Outcomes 2, 3 & 4 (Component 2)
Provincial and Regional Environment/ Climate Change Offices	Environment and Climate Change (often grouped under one Division/Office) are important offices under the provincial administrative structures. CEPA coordinates with provincial environment officers to monitor and report on environment activities in the provinces. However, this role and the devolving of powers from CEPA to provincial environment officers is not clear and is a key gap that this project will attempt to address. In addition, the process of establishing Regional and Provincial Roundtables on Protected Areas will also be reviewed. CCDA has started the process of establishing provincial climate change committees, housed within existing environment divisions.	Provincial Environment/Climate Change Offices will have key roles as facilitators and resource officers across all project activities helping to mainstream environment and climate change into all activities. The project will work with them to strengthen links with national level agencies (CEPA, CCDA).

Provincial and Regional Forestry Offices	The Provincial and Regional Forestry Offices implement national forest polices and regulations on the ground. They are also instrumental in developing Provincial Forest Plans which becomes a key document in reviewing and deciding on forest development at the sub-national level. The Provincial Forest Management Committee is a key body in this process, managed via the provincial forest office.	Provincial Forest Offices will be crucial in supporting the alignment of the project with national strategy on *Painim Graun, Planim Diwai* and other related forest programmes. Member of the Provincial Project Coordination Committee. All Outputs under Outcome 5 & Output 6.1 (Component 3)
Local Governmental Stakeholders:		
District Administration LLGs & Ward Councillors	Districts have mandate to manage the affairs of each district, organized around District Development Authorities (DDAs) under the District Development Act 2014. DDAs are administered by the District Administrator with political oversight from the local member of parliament, and bottom up through LLGs and Wards. LLG and Wards build vertically to the District and Provincial Development Planning Framework, therefore play critical roles in defining and aligning Wards/LLGs priorities, such as integrating Ward/LLG Development Plans and Ward/LLG sustainable land use plans	DDAs will be important in project alignment with existing and planned activities in target districts and LLGs/Wards. District Administrator or his Deputy will be part of the Provincial Project Coordination Committee. All Outputs LLG Presidents, Ward Councillors will play vital roles in coordination, outreach and dissemination of information to Communities and landowners. All Outputs.
Social organizations and non-governmental organizations (NGOs)		
FORCERT (Forests for Life, Forests for Certain)	FORCERT is a national NGO that is well established and has offices and projects in both ENB and WNB provinces. FORCERT has intimate knowledge on-ground circumstances and cultural setting including community entry and engagement. They have implemented projects through various funding streams including UNDP funded projects.	FORCERT core areas of experience include Ward Level land use planning, PES, community forestry and conservation. FORCERT are lead partners for Tavolo WMA in Pomio District. FORCERT will likely represent NGOs on the provincial project coordination committee All Outputs under Outcome 1 (Component 1) and Outcomes 5 and 6 (Component 3)

TNC (The Nature Conservancy)	TNC has done previous land use planning work on New Britain Island through a ?ridge-to-reef? approach in collaboration with CSIRO. This work could be advanced under this project.	TNC has a permanent country office in Port Moresby in project offices in various provinces, excluding ENB and WNB. TNC has strong presence and influence in country and will be an important partner in implementing the project. TNC will likely represent NGOs on the National Project Steering Committee. All Outputs under Components 1 and 3
OISCA (Organization for Industrial, Spiritual and Cultural Advancement)	OISCA is a non-government, humanitarian organisation that works with local communities in ENB. Their interest lies in community work, outreach and capacity building in sustainability and resources management. OISCA is also involved in community woodlots and primary school support programmes.	OISCA can be a member of the provincial project coordination committee. All Outputs under Component 3
Wide Bay Conservation (WBC)	WBC is a community-based organization (CBO) that is well established and has an office in ENB. WBC works primarily with communities in East Pomio LLG and around Klampun and Toimtop Conservation Areas. WBC has intimate knowledge of on-ground circumstances and cultural setting including community entry and engagement. They have implemented projects through various funding streams including UNDP funded projects. WBC has interest to scale their experiences beyond East Pomio to other LLGs and Districts, but funding has been a constraint.	WBC has well established community entry and engagement protocol and understand and work through traditional decision-making structure at community/ward levels. WBC can be part of provincial project coordination committee or focal point at project sites All Outputs under Components 1 and 3
Mama Lus Prut Scheme	Mama Lus Prut is a scheme initiated by the Oil Palm Industry Corporation to support mothers living in and around oil palm areas to benefit from oil palm development through collecting and selling fallen loose fruits after harvest.	A woman representative could be on a provincial coordination committee or an inter-sectoral technical working group All Outputs under Component 2

Others (Live & Learn, Pacific Islands Project, Land Care Groups)	These groups have interest in community conservation and forestry, land restoration and advocacy.	They could be involved in inter-sectoral technical working groups. All Outputs under Component 3
Local communities where project interventions are planned:		
Local land-owning communities, farmers, and migrant communities	Local land-owning communities, farmers, and migrant communities where project interventions are planned are among the key beneficiaries of the project. The farmer households engaged in GEF 7 FOLUR and the other residents of the villages where project component activities are planned are counted as direct beneficiaries.	These groups will be engaged on a number of project activities, including involvement in carrying out participatory landscape assessments, development of conservation and sustainable use plans, trainings, improved farming practices and developing market niches, participating in workshops and trade fairs, etc. Where necessary FPIC will be undertaken to ensure full consent within the process. All Outputs under Components 1, 2, 3 and 4.
Agricultural Associations, including Cooperatives		
Agricultural associations, including cooperatives, engaged in the GEF 7 FOLUR project in the project landscapes/provinces	Many farmers in the demonstration landscape are members of agricultural associations, including cooperatives. These associations contribute towards strengthening social capital within local communities and provide farmers with broadened market access and improved access to credit and knowledge.	Agricultural associations, including cooperatives, will be involved on a number of project activities, and be represented on the local Landscape partnership working groups. The project will facilitate strengthening of agricultural associations, through increasing membership, training, development of markets, building partnerships with enterprises, etc. All Outputs under Component 2
Private Sector		

Enterprises engaged in the Oil Palm and Cocoa industry in target provinces/landscapes and in broader markets in and beyond the province, mainly: ? New Britain Palm Oil Limited ? Hargy Oil Palm Limited ? Outspan (Subsidiary of Olam International) ? Agmark Limited	The enterprise sector is an important stakeholder group, with capital investments in expanding or maintaining agricultural production and supply chain. Co-financing is being sought from these enterprises at project entry and additional partners may be sought during project implementation.	The enterprise sector will be involved on most aspects of the project, including providing advisory inputs to proposed regulatory reforms and incentive mechanisms, having representation on the local Landscape partnership working groups, provincial project coordination committee, supporting development of the GEF 7 conservation and sustainable land use plans, benefitting from market development activities and trainings, and participating in awareness raising and knowledge management. The project will also be facilitating increased partnerships between the enterprise sector and local farmers and agricultural associations, including cooperatives. All Outputs under Components 1, 2, 3 & 4
Oil Palm Industry Corporation and Oil Palm Growers Association/Cocoa Growers Association, and PNG Cocoa Board	OPIC works closely with Oil Palm Growers Association whereas Cocoa Board supports the work of Cocoa Growers and farmer cooperatives. These are statutory bodies under PNG law and play critical roles in regulating and supporting the development of commodities in PNG.	These entities will be core members under provincial coordination committee and/or inter-sectoral technical working group - involving strengthening marketing capacities, development of partnerships, organizing trade fairs, etc. All Outputs under Component 2
Academic and Research Institutions:		
Oil Palm Research Association/Cocoa Copra Research Institute	OPRA and CCRI are research arms of oil palm and cocoa (and copra) sectors. These institutions provide research, field trials, data collation, analysis and technical knowledge and training support for respective crops.	OPRA and CCRI will provide high level agricultural scientific research and technical support while providing long term support in building training and learning materials for knowledge production beyond the project lifetime. OPRA and CCRI could become members of a cross-sector technical working group Outputs under Components 2, 3 and 4
University of Natural Resources and Environment (UNRE)	UNRE specialises in offering educational degrees in agriculture and environment management. UNRE also partners with other research entities to undertake research activities	These existing institutional and research or curriculum support systems within institutions will be harnessed and utilized through collaborative partnerships during the project.

University of Papua New Guinea (UPNG)	UPPNG currently runs masters and diploma programmes in biodiversity conservation and management.	Representatives of research institutions and academia can be involved at the intersectoral technical working group level. Outputs under Components 2, 3 and 4
International research institutions	International research organizations are involved in various research and project activities, and these include but not limited to: James Cook University, ACIAR, CSIRO, etc.	
Certification Organizations		
Round Table on Sustainable Palm Oil (RSPO)	RSPO is the only certification standard used in PNG, particularly by NBPOL and Hargy Palm Oil Limited.	Certification organizations will support product certifications for cocoa and oil palm, provide linkages with international certification bodies and supply chains, and where applicable, provide training services to agricultural associations and enterprises. Outputs under Components 2 and 3
Rainforest Alliance Fair Trade	Rainforest Alliance and Fair Trade are used extensively for certification in the cocoa industry (including other industries) such as by Outspan and Agmark Limited.	
Other certification organizations will be engaged according to the opportunities for the GEF 7 FOLUR project in target landscapes.		

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Select what role civil society will play in the project:

Consulted only; Yes

Member of Advisory Body; Contractor; Yes

Co-financier; Yes

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

PNG faces significant challenges with regard to gender equity and women?s empowerment with a gender inequality index (GII) of 0.740.[1] placing it 161 out of 162 countries in the 2018 index. These rankings are linked to a number of cross societal challenges including limited representation of women in key decision making positions (there are no female members of parliament in PNG), gaps in access to and levels of schooling, low levels and access to healthcare (linked to high levels of death during child birth), gender based violence as well as disparities in participation within the formal economy. Gender equality and women?s empowerment also remains limited within PNG legislation. Despite the development of the National Policy for Gender Equality and Women?s Empowerment 2011?2015,[2] existing and new legislation and supporting regulations predominantly fail to address gender elements.

With regard to decision on how lands are used, with 97% of land under customary ownership, decision-making is regularly made through customary systems, which are predominantly male led. Even within matrilineal customs decisions on how land is used is often delegated to male clan members while ownership remains with the matriarch. Many of these challenges are compounded within the processes for formalizing customary land arrangements, through the creation of Incorporated Land Groups (ILGs) and Land-Owner Companies (LOCs) to engage with the formal economy. These groups while potentially an opportunity to address the power of informal networks have often been established with limited engagement at community level with internal power structures that reinforce as opposed to address disparities within the communities.

Many of these challenges also manifest within the agricultural sector with more than 50% of the female labour force is engaged in agriculture and women comprising almost 35% of the economically active population in the sector.[3] Rural women play a prominent role in subsistence food production, agricultural value chains and rural livelihoods. They sell their surplus produce, generally at local markets, to generate income for their families and are also engaged in a broad range of micro-enterprises often within the formal economy. Women also play a critical role in major commercial supply chains. Within cocoa supply chains women are seen to provide critical inputs into key tasks linked to harvesting and preparation of wet beans that play an important role in quality and in many cases have also maintained production from ageing cocoa stands which have low levels of productivity. Men conversely play a more significant role in the processing of cocoa as well as its transport and sale and as such capture much of the financial return from the process. This combined with the high social pressures and other labour responsibilities for women mean that they are neither effectively incentivised, nor able to invest in strengthening production within the sector[4].

In the palm oil sector, women also play an important role in the management of village oil palm blocks and have gained increase access to finance through the Loose Fruit mammas scheme which allows for women and men to set up payment accounts and receive direct payment for the fresh fruit bunches collected.

To address many of the challenges with regard to gender within the target actions of the project, the project will adopt a comprehensive strategy on gender equity and women?s? empowerment (the full action plan is contained in Annex 9). Central to this will be the mainstreaming of gender into all elements of project actions and recognising the differences between labour, knowledge, needs, and priorities of women and men, and includes but is not limited to the following aspects:

? Consultation with women and women groups on needs and requirements associated with project interventions;

? Promotion of equitable representation of women and men in project activities and groups established and/or strengthened;

? Development of regulatory, policy and planning documents in consultation with women;

? Targeted budgeting of activities promoting active involvement of women and monitoring and evaluation of such activities;

? Participation, training and capacity building of women identified and budgeted in relevant project outcomes;

? Ensuring equitable representative and participation of women in the regional and global FOLUR events;

? Encouragement of women participation in the recruitment of project implementation staff, including consultancies and other service providers; and

? Equal access to wealth creation and distribution of benefits generated from project interventions between women and men.

? Women in project areas accessing and/or using productive resources/assets (that they previously did not) as a result of project interventions.

The gender mainstreaming strategy also contributes towards the achievement of Sustainable Development Goal (SDG) 5, specifically Target 5.4: Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws. Key actions will also cover:

? Integration of gender into all policies, regulations and action plans developed under the project (e.g. under Outcomes 1 and 2) including ensuring the role of women on key decision-making and review boards and that gender is effectively considered when assessing options for changes in financial incentives for land use planning and sustainable land use.

? Ensuring full participation of women within multi-stakeholder processes including commodity platforms (Outcome 2), land use-planning processes (Outcome 1), community management groups (Component 5).

? Balanced representation and access to capacity building ? within all project activities action will be taken to support balanced gender representation and access to capacity building with gender considerations also mainstreamed into the content and means of delivery for all capacity building work.

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[1] Gender inequality index (GII) reflects gender-based inequalities in the three dimensions of reproductive health, empowerment and economic activity.

[2] The Policy focuses on three main components: women?s equality and representation; women?s economic empowerment; and gender-based violence and vulnerability.

[3] FAO (2019) Country Gender Assessment of Agriculture and the Rural Sector in Papua New Guinea, Food and Agriculture Organization of the United Nations, 2019

[4] Information from World Bank (2018) *Household Allocation and Efficiency of Time in Papua New Guinea*, and World Bank (2014) *Fruits of Her Labor, Promoting Gender-equitable Agribusiness in Papua New Guinea: Cocoa Sector*.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes
Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes
4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

Effective engagement with the private sector is central to the implementation of the proposed project.

Within the oil palm sector the project will work through the creation of the PNG Palm Oil Platform towards the establishment of an effective policy for palm oil and palm oil development in PNG (Outcome 2). This process will require extensive engagement with private sector both those companies that are RSPO certified and those not certified, with key companies, NBPOL and HOPL (who account for 90% of PNG palm oil production) already engaged in the platform development process is it anticipated that they will play a central role within the process of developing and revising a palm oil action plan and subsequent supporting legislation as well as contributing finance to support the long term sustainability of the platform. These companies will also play a key role within the revision of extension support systems with HOPL already undertaking a trail of privatized extension services that can be utilized as a case study for further revisions to the system. It is also anticipated that agreements will be signed with these companies to support the testing of revised extension materials and support services for small-holders with the companies providing staff and operational resources to support this testing. Following this testing phase it is expected that the system will be formalised and expanded to allowing for ongoing provision of extension support to farmers with finance from private sector groups. In addition to this work with domestic finance institutions and existing tax schemes through the project will seek to improve the quality and nature of financial support available to small-holders who are adopting sustainable practices.

Similarly, the project will work closely with private sector groups within the cocoa sector through the Cocoa Platform on the revision of cocoa policy and action plans (Outcome 2) with private sector groups also providing financial and operational support to the long term running of the platform. The projects will also work closely with private sector on the development and revision of approaches to delivery of extension services and extension materials with the project working closely with firms to identify how company specific support and the broader extension system can work effectively together. Within this context firms will work with the project to help trial extension materials providing both operational support and engaging their technical officers within this process (Outcome 3). As with the oil palm sector following this testing phase it is expected that the system will be formalised and expanded to allowing for ongoing provision of extension support to farmers with finance from private sector groups. In addition to this work with domestic finance institutions and existing tax schemes through the project will seek to improve the quality and nature of financial support available to small-holders who are adopting sustainable practices. The project will also work closely with firms on market development with work through the global platform engaging key firms such as Olam International, while also providing opportunities for domestic companies such as Agmark to enhance their understanding of and profile within international markets as part of a process to broaden the market for PNG cocoa (Outcome 4). The project has already developed effective operating relationships with the two largest cocoa aggregators in PNG (accounting for over 90% of production), Outspan (a subsidiary of Olam International) and Agmark Ltd at the landscape and national level as well as the two largest cocoa aggregators and exporters with all four companies committing to provide co-finance for the project.

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

An assessment of potential project risks was carried out through the PPG phase and is included within Annex 4 (SESP) and Annex 8 (ESMF). The combines assessments identified 30 risks with the SESP identifying 17 (breakdown in section below) and the Risk assessment identifying 13 principle risks of which 8 were High, 17 were Moderate and 5 were Low with the below table summarizing the identified substantial/high risks per the UNDP Risk Register and SESP and the identified response to these.

Project Document Table 11: Table of Risks and Mitigation Measures

Description	Type	Impact & Probability	Mitigation Measures	Owner
General Risks				

Risk 1: The government does not allocate adequate resources (both human and financial) in response to the result from the project?s incremental processes and impacts. This project will build capacity of government agencies, hence will demand a higher (or additive) level of resource allocation from the government during and following the project implementation.	Financial, Organizational	P=4 I=3 High	The project will strive to strengthen approaches to sustainable land use and development planning as well as support to conservation and restoration as well as sustainable agricultural development. Many of these elements will require future budgetary commitments from government to support action and sustainability of approaches. Mainstreamed within the project design is work on financial sustainability mechanism and incentive systems for almost all elements of the project from land use planning (and performance monitoring) to extension service provision and community conservation area management. Within these approaches the project is targeting initiatives to support access to new streams of finance (for example carbon finance), sustainable funds under development (e.g. the conservation trust fund being developed through GEF6) or cost neutral finance linked to the reallocation of resources or removal of subsidies from activities that go against the project?s objectives. In this way the project design seeks to mitigate a significant element of the project risk. In addition, the project has a targeted approach to multi-stakeholder engagement that is intended to help adoption of shared	GoPNG, UNDP-CO

Risk 2: Limited institutional capacity, mandate, and ownership. Commodity production patterns are dependent upon several factors, including governmental policy directives. If governmental policies are inconsistent with the sustainable and resilient production promoted on the project, then the sustainability of the project could be impacted. If proposed policy reforms are not instituted within the project lifespan, some of the momentum gained could be lost when GEF funding ceases.	Organizational, Political	P=4 I=3 High	UNDP has policies and procedures relating to Its National Implementation Modality (NIM) of project implementation that provide safeguards against inadequate implementation capacity and the risks of mismanagement. The project will address relevant capacity limitations by defining the mandates and systematically building capacity from workshops and trainings. Internally within the project Specific committees action will be taken to ensure clear understanding and ownership of target activities as well as support coordination between agencies.	UNDP-CO, DAL,

Risk 11: Delays to project implementation and systemic de-prioritisation of the present project associated with challenges due to the COVID-19 pandemic, which coincided with the project preparation phase.	Operational	P = 4 I = 4 **High**	The exact impacts of COVID19 on the operational environment for the project are currently unknown and as such difficult to develop effective mitigation measures for. The project is designed however to allow for adaptive management that responds to new and varied challenges. Through a strong central management framework, the project will have the capacity to respond to both operational variations and the needs to key target beneficiaries should this be required. Measures including adoption of clauses within contracted assignments to address potential travel delays and cancellations will also help to maintain the project?s capacity to respond to changes as required. Many elements of the project linked to improved agricultural production and productivity as well as strengthened value chains and linkages with international markets which remain highly relevant within the context of the pandemic?s impact including uncertain market demand and price variations, with improved relationships with buyers and increased yield per unit areas helping to support the resilience of the supply chain. In addition extension support while targeted through oil palm and cocoa supply chains is also focused on hybrid livelihoods with support to development of subsistence	GoPNG, UNDP-CO

Social and Environmental Risks				
Risk 1: Indigenous peoples are present in the Project area and the Project is located on lands and territories claimed by indigenous peoples. There is a risk that an absence of culturally-appropriate consultations will lead to project activities being instigated without securing Free, Prior, Informed Consent (FPIC) of local indigenous communities. SES Standard 6 q. 1-7, 9.		**I = 4** **P = 3** **High**	FPIC is a legal requirement in PNG. The ESIA will assess the likely impacts on Indigenous People on a per-landscape basis, as exact project locations are specified. Consultations will be carried out with the objective of achieving initial consent from the specific rights-holders, in line with Standard 6 requirements. Site-specific Indigenous Peoples? Plans will be developed, with full participation of indigenous communities. A comprehensive Stakeholder Engagement Plan has been prepared, (see Annex 7). Initial FPIC, consultations have taken place and will be ongoing throughout project implementation, following the measures summarized in the ESMF and in the Indigenous Peoples? Plans that will be prepared as part of the subsequent ESMP. FPIC will be required for all activities, which may affect indigenous people.	UNDP CO and PMU

Risk 2: Economic displacement Improved enforcement of landscape protections and development of zoning could result in changes to current access to resources, potentially leading to economic displacement. Principle 1, q3; Standard 5, q2.		**I =3** **P =2** **Moderate**	As the project is High risk with potential downstream and upstream impacts, an ESIA is required for field-level activities and a SESA is required for the upstream activities, such as policy advice, planning support, training and capacity-building. An ESMF has been prepared during the PPG, and Indigenous Peoples? Plans will be prepared following project inception, in conjunction with community groups. The ESIA, SESA, and stakeholder consultations will inform the development of the required ESMP. The risk will be managed through the ESMP and stakeholder consultation arrangements, ensuring that livelihoods are not adversely impacted by the project and FPIC is obtained for any activities that may impact indigenous peoples. The impact assessments will identify any economic displacement, and strategies will be included to avoid, minimize or manage any such impacts. Where necessary, a Livelihood Action Plan will be produced to ensure that any such impacts are appropriately managed. This SESP will be revised based on further assessments and on information/details gathered during project implementation. Revisions to the SESP will inform the ESMP and IPPs over the course of the project.	PMU

Risk 3: Loss of access to natural resources Improved enforcement of landscape protections and new approaches to land management could result in changes to current access to resources. Principle 1, q.2, Standard 1, q.1., Standard 6, q.3.		**I = 3** **P = 2** **Moderate**	The project emphasizes sustainable intensification, which precludes expansion into HCV/HCS, and will ensure that important traditional activities and resources are protected, in accordance with Standards 4 and 6. The ESMP will ensure that access to natural resources is preserved.	PMU
Risk 4: ?Elite Capture? could result in a failure of vulnerable groups to benefit from the project. The Project could have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups. Principle 1, q4.		**I = 4** **P = 4** **High**	The ESIA, which will assess potential downstream impacts in this SESP (and any others identified) will be specifically targeted towards poor and vulnerable groups, conducted through thorough stakeholder consultation. M+E arrangements will be developed using appropriate poverty indicators. FPIC is required for all activities, which will impact communities (all of which are indigenous). The project will also consult with local NGOs to further ensure that it takes all relevant viewpoints into account.	UNDP CO & PMU
Risk 5: That rights-holders do not have the capacity to claim their rights. Principle 1, q6.		**I =3** **P=3** **Moderate**	The project is based on proactively encouraging and assisting full participation of all sectors of society, in particular poor and vulnerable groups. The ESIA will identify vulnerable groups and develop specific measures to mitigate this risk.	UNDP CO and PMU

Risk 6: Low participation rates among smallholders. Principle 1, q4.		**I=3** **P=3** **Moderate**	The ESIA and associated stakeholder consultation conducted as part of the ESIA, will establish any reservations about taking part, and the reasons for reluctance to do so among all types of commodity farmers, regardless of their tenure arrangements, including the informal sector. FPIC is required throughout. The results of the ESIA will inform further iterative project design, including the development of KPIs specific to vulnerable/marginalized groups.	PMU
Risk 7: Social Tensions. Existing community and inter-community conflicts may be exacerbated by project activities. Project activities seen as favouring one community over an adjacent one, might give rise to new conflicts. Principle 1, q8.		**I = 4** **P =2** **Moderate**	Comprehensive stakeholder engagement will be conducted, and FPIC will be secured for all project activities. The project will fully take into account community views, which will inform project outputs for each landscape.	UNDP CO & PMU

Risk 8: Gender Inequality. Project activities and approaches might not fully incorporate or reflect views of women and girls, or ensure equitable opportunities for their involvement and benefit. Principle 2, q2, q4		**I=3** **P=3** **Moderate**	This risk is assessed in the gender analysis and managed through the Gender Action Plan, which will be integrated into overall project management systems. Stakeholder consultation arrangements and required FPIC consultations will specifically and proactively include women, and the project will use the services of a gender specialist, who will work closely with the National Council of Women and will conduct participatory explorations of how best to improve project benefits for women.	UNDP CO & PMU
Risk 9: Labour Standards. Field- and policy-level activities related to the value chains of key commodities could inadvertently support child labour and other violations of international labour standards. Standard 3, q8.		**I=3** **P=2** **Moderate**	The ESIA will include a review of labour standards in the target districts where interventions related to smallholders will take place, and identify safeguards including monitoring arrangements integrated into the ESMP.	PMU
Risk 10: Cultural Heritage Potential for adverse impact on sites, structures, or objects with historical, cultural, artistic, traditional or religious values. Standard 4, q.1, Standard 6, q.9		**I=3** **P=1** **Low**		PMU

Risk 11: Loss of intangible forms of culture, such as knowledge, innovations, practices. Standard 4, q1, Standard 6, q.9.		**I=3** **P=1** **Low**		PMU
Risk 12: Damage to Protected Areas and/or biodiversity. Poorly designed or executed project activities could damage critical or sensitive habitats, including through the introduction of invasive alien species during forest restoration activities. Standard 1: q1, 2, 3, 5, 6		**I=3** **P=3** **Moderate**	Restoration will be carried out in accordance with management plans developed through participatory processes informed by the ESIA, and in accordance with the ESMP. No IASs will be used, and preference will be given to native species.	UNDP CO, PB & PMU
Risk 13: The project involves the application of pesticides that may have a negative effect on the environment, with potential for adverse local, regional, and/or transboundary impacts, as well as the potential to result in the generation of waste (both hazardous and non-hazardous). Standard 7, q.1		**I = 3** **P = 2** **Moderate**	The project design will include appropriate safeguards, including training and monitoring, based on the ESIA and covered in the ESMP.	UNDP CO & PMU

Risk 14: Workers in commodity supply chains (including smallholder producers) might be exposed to hazards in their use of chemical inputs (pesticides, fertilizers etc.) without adequate PPE, training and safeguards, or which might be subject to international bans. Standard 3: q7; Standard 7: q3, q4		**I = 3** **P = 4** **Moderate**	The project is designed to equip the target smallholders with training on application of Good Agricultural Practices (GAP) on farm. Farmers will be trained to appropriately gear themselves against exposure of hazardous materials. Additionally, GAP will prescribe appropriate types and doses, and means of application of chemical inputs that are not internationally banned or prohibited under law. The ESIA will include assessment of the risk that the project will lead to an increase of exposure to hazards and appropriate safeguard procedures will be employed.	UNDP CO
Risk 15: Project activities and outcomes will be **vulnerable to the potential impacts of climate change.** Standard 2, q2; Standard 3, q5 (see Annex 20 for further information on key risk areas)	**(a) I = 4**	**I = 3** **P = 5** **High**	Further studies will be included in the SESA and ESIA, which will establish appropriate risk management strategies with the inclusion of climate change scenarios in LUM strategies, and the need for diversified farming and livelihood systems, agro ecology and nature-based solutions.	UNDP CO & PMU

Risk 16: A failure to establish the correct **balance between improving per hectare commodity production with improved enforcement of land use regulations** might in certain locations produce a counter-productive result. Standard 1, q11.		**I=4** **P=2** **Moderate**	The issue will be further studied during the course of the SESA. SESA findings will feed into the development of the ESMF, and plans are designed to strengthen collaborative governance mechanisms in support of effective conservation and restoration. Sustainable intensification of commodity production is accompanied by improved governance/enforcement and market-based incentives, balancing the ?carrot and stick? of project interventions, improving enforcement of land use restrictions with a focus on HCV or HCS land, and improving resources and systems.	UNDP CO & PMU

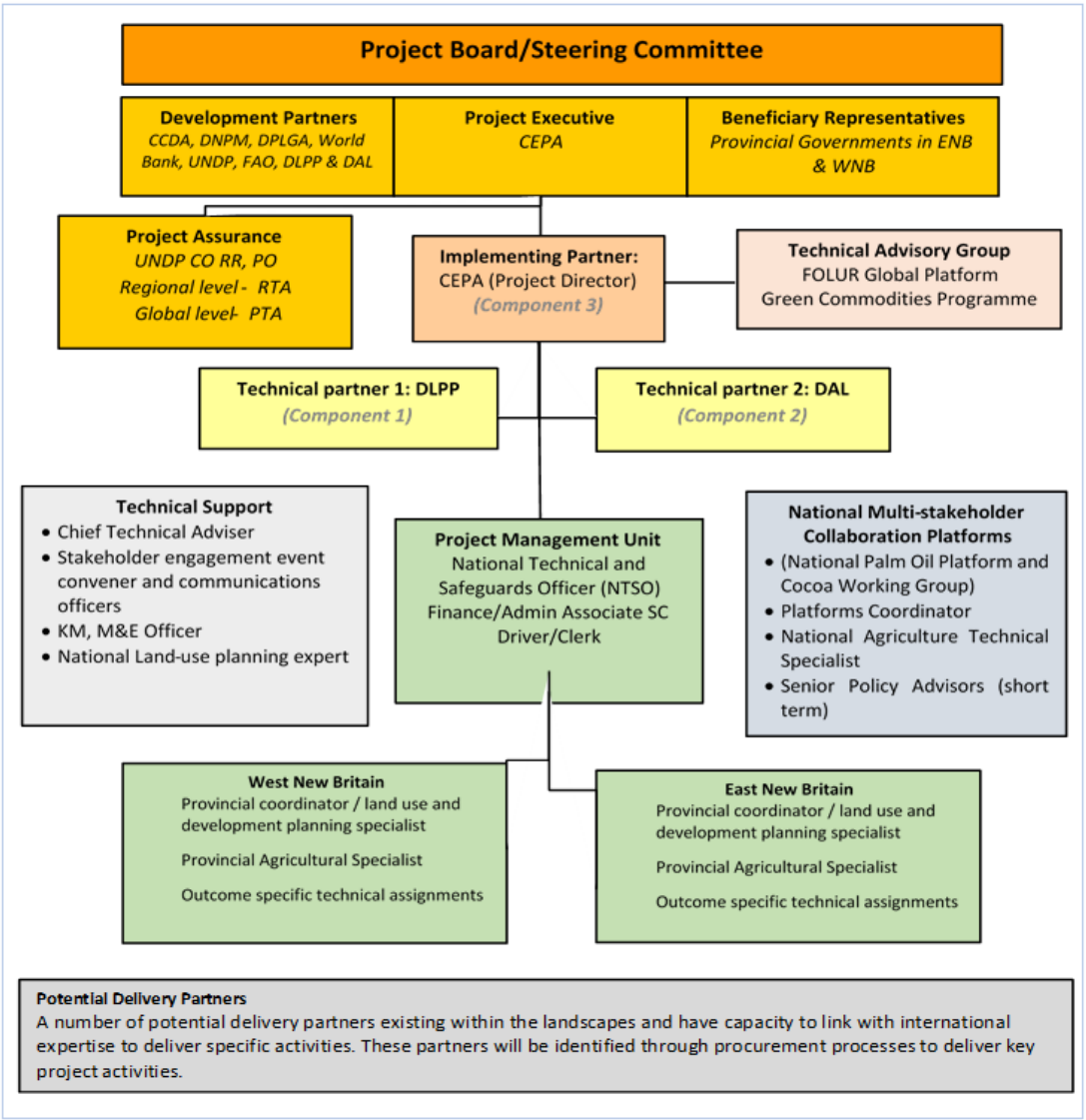
Risk 17: Risk posed from COVID-19 pandemic or similar disease outbreak, having implications at international, national and sub-national levels resulting in a changing social and environmental landscape for project implementation and enhanced risk of negative impacts. (Further information is provided in 19 COVID 19 Analysis)		**I=4** **P=4** **High**	The project preparation phase has coincided with the outbreak of the COVID-19 pandemic. Within this context it is evident that the pandemic and measures to address it have had a significant impact on communities within the target landscapes. How these impacts will continue to manifest however remains unclear but could include. ? Significant health impacts across communities ? Social tensions linked to health impacts or measures to control them ? Disruption to supply chains and market access resulting in reductions in income or difficulties to maintain access to services All of these elements are likely to have varied and unequal impacts across communities in the landscape with those most vulnerable liable to be the most heavily impacted. Project interventions within the context of constrained travel or health fears may thus present the potential to further exacerbate inequalities and / or present additional risks to communities from transmission of disease into remote areas.	UNDP CO & PMU

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The institutional arrangements for implementation are outlined in Section 7 of the Prodoc with the sections below summarising key elements of this system with the operational structure also presented in Figure 5. Project Organisational Structure shown below.

Project Document Figure 7. Project Organizational Structure



Implementing Partner: The Implementing Partner for this project is the Conservation and Environmental Protection Authority (CEPA) under the Ministry of Environment, Conservation and Climate Change (MOECCC). National Implementation Modality (NIM) will be used for implementation with full UNDP CO support. This is based on the findings of the micro assessment conducted for the partners and the risk rating associated with the internal control framework as reflected below:

? In 2018, the Macro Assessment for PNG was conducted (see Annex 17). The report viewed the risk rating associated with the public financial management environment focusing on the budget, resource utilization, reporting, internal control framework and other areas can be viewed in Annex 17. Among different areas the assessment was focusing on, the ICF was analysed based on two parts 1) the structure of the ICF 2) the ?climate? within which the systems operate. It is found that while there are controls in place, the control environment is weak and inconsistent, and the overall risk rating for this area has been recognised to be High. Further, the Audit General Office has also noted constantly the inadequate internal control procedures in many Government departments.

? In 2019, the Micro Assessment for the Implementing Partner - CEPA was conducted (see Annex 16). The overall risk rating identified for the IP was Significant. The Micro Assessment viewed different risk ratings for different areas, for instance, the risk rating for the Implementing Partner?s capacity; Accounting, policies and procedures; Financial Audit and information system are Significant, while the Internal Audit; Reporting and Procurement viewed to be High, the Fund Flow risk level is low.

The same applies to all Government Departments in Papua New Guinea. UNDP?s responsibility is to ensure appropriate accountability of the IP in terms of:

- Managing the project to deliver the planned outputs and managing risk in accordance with the agreed project document.

- Reporting fairly and accurately on project?s progress and risk against agreed workplans and results framework, in accordance with the reporting schedule and formats included in the project agreement.

- Maintaining documentation and evidence that describes the proper and prudent use of project resources in conformity with the project agreement, and applicable regulations and procedures. This documentation will be available on request to project quality assurers and designated auditors.

The GEF OFP has requested UNDP to provide execution support services for the full duration of the project. The GEF agency execution support letter (signed by the GEF OFP) including associated cost of US$ 222,443, detailing these support services is included in Annex 11a. A Letter of Agreement (LoA) detailing these services are agreed and signed between the IP (CEPA) and UNDP (Annex 11b). To ensure strict independence required by the GEF and in accordance with the UNDP Internal Control Framework, these execution services will be delivered independent from the GEF-specific oversight and quality assurance services (i.e. not done by the same person to avoid conflict of interest). Oversight functions will be rendered by the Management specialist and senior management of UNDP Papua New Guinea country office. Services related to procurement of good and services will be provided by the procurement officers from the Operations Unit of UNDP PNG; services related to contracting and hiring personnel including travel will be assisted by HR officers of the Operations Unit. The team that provides procurement and HR support will be under the guidance and direction of the Operations Manager and Deputy Resident Representative, who will provide another layer of oversight to ensure adherence to UNDP rules and

regulations. The staffs responsible for project oversight and those that provide execution support services are listed in the Audit Checklist (Annex 22). An enhanced oversight will be provided by the Regional Bureau through the Bangkok Regional Hub to ensure that the CO ensures project implementation in compliance with all UNDP rules and regulations. Technical oversight on the nature, climate and energy aspects of this project will be provided by the Regional Technical Advisor (RTA) on Ecosystem and Biodiversity will provide. Oversight to ensure this project complies with GEF policies and procedures will be provided by the RTA, Principal Technical Advisor (PTA), the Regional Team Leader (RTL) and other staff of BPPS/NCE Unit.

The Implementing Partner?s specific tasks include:

- ? Project planning, coordination, management, monitoring, and reporting. This includes providing all required information and data necessary for timely, comprehensive, and evidence-based project reporting, including results and financial data.
- ? Risk management as outlined in the Project Document.
- ? Approving and signing the multi-year workplan.
- ? Approving and signing the combined delivery report at the end of the year.
- ? Signing the financial report and certifying expenditures in lien with approved budgets and work plans.

The project identified two technical partners that will coordinate the work under component 1 and 2 namely, Department of Lands and Physical Planning (DLPP) and Department of Agriculture and Livestock (DAL). They will be represented in the PB as part of Development Partners.

Project stakeholders and target groups: Project stakeholders will be fully engaged through the project organizational and governance structure. Key government agencies will be engaged on the project board that will ensure they are kept up to date with project development activities and are able to input into key elements for project decision-making.

Representatives from Private Sector will also be invited to attend the project board as observers to ensure they have clear awareness of project decision-making. They will also be able to input into the design and development of project activities through engagement within the cocoa and palm oil platforms, which will provide forums for multi-stakeholder coordination as well as planning for those sectors, which will be integrated into the project implementation through the Project Management Unit.

At least two civil society groups will also be asked to join the board to represent the interests of land-owning communities within the project implementation.

UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. UNDP is also responsible for the Project Assurance role of the Project Board/Steering Committee.

The Project Board (also called Project Steering Committee) is responsible for taking corrective action as needed to ensure the project achieves the desired results. In order to ensure UNDP?s ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.

In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the Project Board include:

? Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;

? Address project issues as raised by the National Technical and Safeguards Officer (NTSO);

? Provide guidance on new project risks, and agree on possible mitigation and management actions to address specific risks;

? Agree on project manager?s tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the project manager?s tolerances are exceeded;

? Advise on major and minor amendments to the project within the parameters set by UNDP-GEF;

? Ensure coordination between various donor and government-funded projects and programmes;

? Ensure coordination with various government agencies and their participation in project activities;

? Track and monitor co-financing for this project;

? Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;

? Appraise the annual project implementation report, including the quality assessment rating report;

? Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;

? Review combined delivery reports prior to certification by the implementing partner;

? Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;

? Address project-level grievances;

? Approve the project Inception Report, Mid-term Review and Terminal Evaluation reports and corresponding management responses;

? Review the final project report package during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

? Ensure highest levels of transparency and take all measures to avoid any real or perceived conflicts of interest.

The composition of the Project Board must include the following rules:

a) Executive: Is an individual who represents ownership of the project and chairs the Project Board. The Project Executive is the Director of Sustainable Environment Programme in CEPA.

b) Beneficiary*(s)*: Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. The Beneficiary representatives are:

1) West New Britain Provincial Government, Office of the Governor

2) West New Britain Provincial Government, Office of the Governor

3) Institute of National Affairs ? Managing Director

4) Oil Palm Growers Association

5) Cocoa Growers Association

c) Development Partner(s): Individuals or groups representing the interests of the parties concerned that provide funding and/or technical expertise to the project. The Development Partner(s) is/are:

1) The UNDP ? represented by the Deputy Resident Representative/Head of Environment Portfolio;

2) The Department of National Planning & Monitoring;

3) The Department of Provincial and Local Level Government Affairs;

4) Department of Lands and Physical Planning (DLPP)

5) Department of Agriculture and Livestock (DAL)

6) World Bank ? based on their support the PACD project and potential close links between project implementation.

7) Food and Agriculture Organization (FAO) ? based on links with GEF CEIBT project in development of deforestation monitoring tool as well as and the Integrated land management, restoration of degraded landscapes and natural capital assessment in the mountains of Papua New Guinea Project in terms of land use planning, conservation action and value chain development which will also be a focus for links with engagement in Cocoa value chain through the STREIT project.

8) Department of Foreign Affairs and Trade (DFAT) ? based on links with PHARMA project.

d) Project Assurance: UNDP performs the quality assurance and supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed, and conflict of interest issues are monitored and addressed. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. UNDP provides a three ? tier oversight services involving the UNDP Country Offices and UNDP at regional and headquarters levels. Project assurance is totally independent of project execution.

Technical Advisory Group: A Technical Advisory Group will provide advisory support to the Project Board, Project Management Unit and Technical Support team. The group will comprise of representatives from the FOLUR Global Programme as well as the Green Commodities programme and other key projects that are not represented within the Project Board or who are able to provide a technical role to the group, with target groups including other GEF financed projects (UNEP, FAO, UNDP) as well as other major commodity of biodiversity projects (representatives of USAID biodiversity project, EU projects). The group will liaise primarily with the National Project Director, with support from the National Project Coordinator and Chief Technical Advisor, and will provide additional input into project workplans and the design of specific project activities as well as supporting quality assurance and inputs on key technical assignments.

Project Management Unit: Project management services will be delivered by the Project Management Unit that will be based in CEPA. The PMU supported by technical specialists will be central to building capacity of the IP, technical partners, and the local level governments. The PMU will be staffed as follows:

1) National Technical and Safeguards Officer

2) Admin/Finance Associate

3) Office Clerk/Driver

The National Technical and Safeguards Officer (NTSO) has the authority to run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Board. The NTSO is responsible for day-to-day management and decision-making for the project. The NTSO?s prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The NTSO will have both project management and technical functions (see **Annex 6** of the UNDP Prodoc for the draft TOR).

In addition to the NTSO, the PMU will include an Administrative & Financial Officer (AFO) to support the NTSO. The AFO will also have some technical obligations in the project ? particularly with reference to building capacity and systems for outstanding financial planning and management among partner organisations.

All personnel of PMU will be contracted by UNDP and will fall under the line management of UNDP and will provide weekly updates on project progress to UNDP CO. Monthly meetings will also be held between the PMU staff, representatives of UNDP CO and CEPA management to ensure that project progress is in line with CEPA and GoPNG needs and address any operational or technical issues.

Technical support: the following full-time positions will provide technical support to the Project Management Unit:

1. *Chief Technical Advisor (CTA).* This is a specifically technical position ? with specific reference to business planning, resource mobilisation, and financial planning, systems and capacity building. The CTA will not substitute the NTSO in terms of project management. Indeed, the CTA will have the specific responsibility to provide high level technical advise to the Government and Responsible Parties.

2. *Stakeholder engagement event convener and communications officers* ? The national export will have a central role in coordinating stakeholder engagement and facilitating and convening events. They

will act as a key link between different actions at landscape, national and international levels and form a link between project activities and key stakeholders. As part of this role they will also work to develop information materials and link with technical consultancies to ensure that information is provided in formats appropriate to stakeholders and that can be used for circulation domestically and where appropriate internationally.

3. *National Knowledge Management and M&E expert*. The national expert will coordinate action with regard to knowledge management (KM) and M&E, bringing together data and information collection to ensure that there is clear information on project performance as well as effectively disseminating lessons learned and information on the project to stakeholders. The officer will work closely with targeted consultancies in the development of impact evaluation, knowledge management and information frameworks as well as with the NTSO with regard to collection of information and reporting on safeguards.

4. *Platform Coordinator.* He/she will play a central role in coordinating action on both Palm oil and cocoa platforms. They will act as the key focal point to facilitate communication between government, private sector and civil society as well as guiding technical inputs under Component 2 of the project and ensuring that these are fully integrated into the workplan of the platforms and that these link and integrate with actions from other components. They will also play an important role in linking action at national level with that at provincial level through coordination with provincial agricultural specialists. Work will be conducted in close coordination with the NTSO and CTA.

5. *National Agricultural Specialist* ? a national agricultural specialist will play a key technical role in supporting the operations of the platform and actions under Component 2 of the project. They will work closely with technical consultancies to ensure integration with broader policies and programmes as well as providing a focal point for government and private sector groups on technical issues.

6. *Senior Policy Advisors* ? these short-term roles will engage senior figures within PNG community to gain their inputs and assistance with key elements of the reform process. Their technical knowledge will also link with a deep understanding of decision-making in PNG and capacity to help facilitate the project link with the right decision making processes to drive change.

7. *Provincial Coordinator and Land Use Experts* in the target provinces of East and West New Britain. The recruited officers will be based within the provincial government office and support coordination at provincial level on land use and development planning helping to link action between national, provincial, district and ward level as well as the integration of work on land use planning, sector development (particularly agriculture under project Component 2 and conservation under project Component 3) into

development planning processes at provincial level. Through this they will work closely with the NLUE as well national agricultural platform coordinator and technical expert as well as provincial agricultural specialists.

8. *Provincial Agricultural Specialists* in the target provinces of East and West New Britain. The recruited officers will be based within the provincial government office and support coordination at provincial level with a focus on agricultural activities under Component 2. They will work closely with the provincial coordinators as well as the national level team working through the commodity platforms. They will engage directly with processes for improvements in extension services and provide a direct link between farmers, subnational government and the project.

9. *Short-term International and National Experts* ? they will also be engaged to undertake short-term assignments to support project activities. The duration of their engagement will be identified during the project implementation and fit within the allocated project budget.

Multi-stakeholder Collaboration Platforms: The PNG Palm Oil Platform and PNG Cocoa Platform will provide key mechanisms through which a shared vision of the palm oil and cocoa sectors in PNG will be established as well initiating action towards achieving these visions. Their operation will be supported by a Platforms Coordinator and a National Agriculture Technical Specialist who will sit within DAL but work closely with commodity boards and other programmes, most notably PACD and PHARMA+ within the cocoa sector, to coordinate the work of the platforms as well as actions under Component 2. The national platforms will also liaise closely with provincial focal points and provincial agricultural specialists.

Project extensions: The UNDP Resident Representative and the UNDP-GEF Executive Coordinator must approve all project extension requests. Note that all extensions incur costs and the GEF project budget cannot be increased. A single extension may be granted on an exceptional basis and only if the following conditions are met: one extension only for a project for a maximum of six months; the project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs will be covered by non-GEF resources; the UNDP Country Office oversight costs in excess of the CO?s Agency fee specified in the DOA during the extension period must be covered by non-GEF resources.

Coordination with other projects and programmes

The project will work closely with a number of other GEF financed projects as well as projects and programmes from other development partners. With information on these projects provided in the table below. Key routes of coordination will be through the project board, the Technical Advisory Group where a number of key projects are represented as well as well as the PMC and the commodity platforms under component 2 where other key donors within the target commodities will also be bought together with, government, private sector and civil society representatives as part of a process to strengthen coordination across actors.

Table 10 (of Project Document) **Major development partner programmes with which coordination will occur**

Project Title: Partnership For Agricultural Commercialization and Diversification (PACD)		
Donor: World Bank	**Duration:** 5 years (2020 ? 2025)	**Value:** USD 40 m
This project builds on the previous World Bank and GoPNG collaboration: The Productive Partnerships in Agriculture Project, furthering its objectives and implementing lessons learned from its duration 2011 ? 2019. The objective of the PACD is to increase the productivity and access to markets of target smallholder farmers and small and medium enterprises (SMEs) in selected agricultural value-chains (cocoa, coffee, spices, coconuts and small livestock). The project will be delivered through five components: Institutional Capacity Building, Agriculture Feeder Roads, Productive Partnerships, Project Management and Monitoring and Evaluation, and Contingency Emergency Response.		
Links with FOLUR project: Common objectives include improving governance and frameworks (ex. Output 1.1 for land use planning policy), strengthening sectoral collaboration (Outcome 2), and strengthening the value chain for agricultural production (Outcome 4).		
Project Title: Pacific Horticultural and Agricultural Market Access Programme or PHAMA+		
Donor: DFAT	**Duration:** 4 years 2018 - 2022	**Value:** AUD 36 million
PNG is a core area of focus for the Australian Department of Foreign Affairs and Trade?s multi-country PHAMA Plus project, which expands on the initial PHAMA project that began in 2011. PHAMA+ aims to reach 200,000 households across the Pacific Islands. The focus is on commercial, export-oriented and inclusive investment with underlying objectives to improve market access and livelihoods for smallholders by private sector-led market interventions, increased emphasis on export commodity quality and productivity to enhance supply chain reliability, discrete, multi-year, export market interventions, and monitoring and results measurement to inform policy dialogue and diplomacy by DFAT. The PHAMA Plus project is also integrated with the PACER Plus trade agreement.		
Links with FOLUR project: Common objectives include smallholder market access and improving PNG?s capacity to export agricultural commodities, consistent with Outputs 2, 3, and 4 of the present project.		

Project Title: Maket Bilong Vilis Fama (Markets for Village Farmers)(MVF)

Donor: IFAD	**Duration:** 6 years (2017 ? 2023)	**Value:** USD 50.26 million

The MVF Project aims to improve the livelihoods of village farming households in East New Britain, Marobe Province, Jiwaka, Eastern Highlands, and Simbu. This project, which is primarily financed by IFAD with support from GoPNG and other financial institutions, will transition smallholders from semi-subsistence agriculture models to market-oriented production. The project will have three primary components: establishing inclusive business partnerships by bringing smallholders and buyers together across the fresh produce and galip nut supply chain, by investment in a Supportive Value Chain through improvement of market access infrastructure (ex. feeder roads) and financial services for smallholders, and by facilitating Collective Governance and Project Management through promotion of a favourable policy and institutional environment to support supply chain development. The project will link village farmers and buyers to benefit 23,500 households across target areas and focus on outreach to improve smallholder business and extension education.

Links with FOLUR project:

Common objectives of using agricultural supply chains (Outcome 4) to improve smallholder livelihoods and to better market access for these smallholders (Outcome 3), particularly by infrastructure improvement projects.

Project Title: Sustainable Finance of Papua New Guinea?s Protected Area Network

Donor: GEF	**Duration: 3 years** (2016 ? 2019)	**Value:** USD 61.97 million ($11.3 GEF trust fund)

The objectives of this project are to reduce the funding gap for PNG's protected areas in order to improve their management effectiveness and livelihoods of their communal landowners. This involves development of the enabling conditions to improve the financial sustainability of the protected area system, establishment and implementation of funding for a Biodiversity Trust Fund, and strengthening of the management capacity and financial sustainability of individual protected areas. The project aims to improve 1,897,595 hectares of land and seascape in PNG and to maintain the biodiversity and ecosystem services that it provides.

Links with FOLUR project:

This project links to the current project through sustainable land use to facilitate biodiversity and regulations that facilitate land management for both agricultural productivity and biodiversity (Outcome 1).

Project Title: Strengthening capacity in the agricultural and land-use sectors for enhanced transparency in implementation and monitoring of Papua New Guinea?s Nationally Determined Contribution (NDC)

Donor: GEF	**Duration:** 2 years (2018 ? 2019)	**Value:** USD 3.5 million (USD 0.86m GEF Trust fund)

By 2020 PNG is preparing reports to the UNFCCC under the Paris Agreement Enhanced Transparency Framework (ETF) with strengthened agriculture and land use sector components including inventories of emissions by sources and sinks, and information necessary to track progress against priority actions identified in PNG?s NDC. This project has three major components, which are enhancing institutional arrangements to coordinate preparation of ETF reports for agriculture, land use and other relevant sectors, strengthening the capacity to assess and report emissions and removals from the agriculture and land use sectors and to design and monitor related emission reduction activities, and strengthening the capacity to monitor and report adaptation activities in the agriculture and land use sectors.

Links with FOLUR project:

Output 1.3 considers land use costs and benefits, including future land use scenarios, which are considered in the NDCs, for instance, optimal land use planning to reduce deforestation and comply with NDC targets.

Project Title: Strengthening Integrated Sustainable Landscape Management in Enga Province Papua New Guinea

Donor: EU	**Duration:** 5 years (2019 ? 2024)	**Value:** EUR 5 million

Overview of Project:

The objective of this project is to increase sustainable and inclusive economic development of the Enga Province through improved climate change mitigation and adaptation, strengthened food and nutrition security and improved biodiversity and land conservation. This will be achieved through the development and delivery of an innovative approaches to rural development that integrates sustainable land use and development planning within provincial and district development planning.

Links with FOLUR project:

The project has close linkages in the developed of integrated land use and development planning approaches and the development of environmentally sustainable commodities.

Project Title: Support to Rural Entrepreneurship, Investment and Trade in Papua New Guinea (STREIT PNG)

Donor: EU	**Duration:** 5 years (2019 ? 2024)	**Value:** ?82 million

	This project aims to support and strengthen sustainable agricultural value chains with emphasis on climate change and benefits for rural women and youth by improving sustainable and inclusive economic development and ensuring job creation. The project aims to sustainably increase production of cocoa, vanilla and fisheries. The EU has funded the bulk of this project but also engaged several PNG Government Departments as well as the Cocoa Board, National Fisheries Authorities, and provincial and local authorities.
	Links with FOLUR project: This project demonstrates the importance of engaging commodity boards, which is consistent with methods in the currently proposed project. Additionally, focusing on value chains for cocoa smallholders is also consistent with Outcomes 2, 3, and 4 herein.

Project Title: Papua New Guinea Biodiversity Programme

Donor: USAID	**Duration:** 5 years (2020 ? 2025)	**Value:** USD 19 million (USAID)

Overview of Project:

This project aims to curb unsustainable natural resource use and damage to terrestrial and marine ecosystems through ecological and local governance capacity assessments that will inform community engagement. It has a three-pronged approach: to strengthen national and provincial level governments to better manage conservation areas, to strengthen capacity and coordination at the provincial-level and build linkages to the National Coordinating Committee, and to strengthen coordination through the Provincial Development Planning Process. The PNG Biodiversity Programme will particularly focus on women and conservation; it will address women?s under-representation in the workforce through leading male-oriented gender training and partner with conservation organisations that have robust backgrounds in implementing conservation programmes (The Nature Conservancy, the Wildlife Conservation Society, and the Woodland Park Zoo - Tree Kangaroo Conservation Programme).

Links with FOLUR project:

This programme demonstrates exemplary methodology in forging partnerships with established organizations to optimize impact, just as the GEF-7 project aims to do. Optimal land management to minimise biodiversity loss is apparent both in the PNG Biodiversity Programme and in the currently proposed project?s first output.

Project Title: Integrated land management, restoration of degraded landscapes and natural capital assessment in the mountains of Papua New Guinea

Donor: GEF	**Duration:** 3 years (2022 ? 2025)	**Value:** USD 20.5 million

Overview of Project:

Introduction of innovative sustainable forest and land management practices and valuation of natural capital to support land use planning, biodiversity conservation and land degradation neutrality in the mountains of Papua New Guinea. The project is composed of three main components: Enabling environment to support the flow of ecosystem goods and services and achieve land degradation neutrality (LDN), Natural capital valuation and implementation of sustainable land and forest management (SLM/SFM) practices in mountain landscapes of the Southern Highlands and Hela Provinces, and Knowledge management, monitoring and evaluation, awareness raising and training.

Links with FOLUR project:

This programme links with the FOLUR impact program with common goals of facilitating biodiversity conservation though support of ecosystem services as well as reducing.

Project Title: Enabling sustainable production landscapes in Eastern Highlands and Western Highlands Provinces for Biodiversity, Human Livelihoods and Well-being

Donor: GEF	**Duration:** 4years (2022 ? 2026)	**Value:** USD 6.4 million

Overview of Project:

The project is based around four components namely:

? Component 1 - Improving spatial data and strengthening integrated land use planning, coordination and management
? Component 2: Scaling up landscape-level action for integrated conservation & sustainable supply chain development
? Component 3: Strengthening the enabling environment and governance structures for integrated landscape/land use planning, coordination and management
? Component 4: Effective knowledge management, monitoring and evaluation

Links with FOLUR project:

This programme links with the FOLUR impact program with its focus on integrated land use planning and management and support to strengthening of this system to better relate to goals of conservation and sustainable land management. There are strong synergies in project design through a focus on enhanced land use planning and integrated land management with opportunities for the project to link with efforts at national reforms on land use planning as well as possible testing of approaches.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

Domestically the project aligns closely with key national policies including targets under MTDP3 2018-2022 most specifically:

Key Result Area 1: Increased Revenue and Wealth Creation ? in particular:

1.2 Increase exports of major agricultural commodities, fisheries products, processed timber, manufacturing, and minerals ? to 60% of total export value.

1.3 Create more employment and economic opportunities for youth and build the capacity of productive workforce.

1.6 Create wealth by promoting SME growth and attracting direct investments.

1.7 Women?s economic empowerment.

Key Result Area 3: Sustainable Social Development ? in particular:

3.9 Improve Nutrition Standard

Key Result Area 7: Responsible Sustainable Development

7.1 Promote PNG?s Environmental Sustainability; including targets for Percentage of land area, protected to maintain & improve biological diversity (3.98% to 17.9%), and Primary forest depletion rate per year due to commercial agriculture, logging, mining and urban town development reduced from 9% to 5%.

7.2 Adapt to the Domestic Impacts of Climate Change and Contribute to Global Efforts to Abate Greenhouse Gas Emissions;

It will also align with targets under the cocoa sector strategic plan for enhanced productivity and management and with the Protected Areas Policy to support a comprehensive approach to conservation.

At the international level the project aligns with PNG?s stated targets under the Rio Conventions including its National Biodiversity Strategy Action Plan (NBSAP) with regard to the CBD in particular goals 1, 2 and 3.

To conserve, sustainably use, and manage the country? s biological diversity

To strengthen and promote institutional and human capacity building for biodiversity conservation, management and sustainable use

To strengthen partnership and promote coordination for conserving biodiversity

With regard to the UNFCCC it aligns with the country?s Nationally Determined Contribution (NDC) which while providing no specific targets for reductions in forest loss, does stress that reducing rates of forest degradation and deforestation in PNG are a priority action.

With regard to action under the UNCCD PNG has committed to achieve Land Degradation Neutrality and is committed for a target restoration of 7.73 million hectares to be reached by 2030.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

KM is central to the project design with targeted actions included within Outcome 7 of the project which focuses on effectively monitoring the causal pathways of change within the project and supporting management responses to them as well as capturing the lessons learned from this process to share broadly across partner countries. Within the outcome the project will establish a KM Framework that will provide the guiding framework to ensure effective collation of the data and trends in the project landscapes, as well as to capture lessons learned at the local and national level and though engagement with the regional and global FOLUR communities of practice. The project will also identify success stories/cases as well as best practices from previous GEF and non-GEF projects to develop better implementation strategies of the project. Also, information collected through this process will be utilized to develop a range of knowledge products that can be utilized both within project implementation to help inform stakeholders of the opportunities and pathways towards sustainable landscape management and internationally to showcase change and sustainable practices within PNG. These products will be linked closely with the work of the

commodity platforms as well as work on development planning to both help inform change domestically and promote PNG products internationally. Additionally, these lessons learned will help inform future project designs and approaches for ensuring sustainable food systems, land use and restoration, as well as to enhance the impact of other or future GEF-funded projects and programs.

Furthermore, as one of FOLUR?s child projects, the PNG project will actively participate and contribute to the Global Platform as part of its effort to achieving FOLUR objective in at the country-level. In this case, the project will participate in relevant FOLUR global events, as well as in regional engagements and platforms. The project will also contribute to the development of FOLUR annual progress reports, quarterly monitoring and evaluation as well as lessons learned management and dissemination.

All of the lessons-learned reports or products will be disseminated publicly to stakeholders in Papua New Guinea as well as outside the country. Within Papua New Guinea, lessons will be presented through the annual FOLUR-PNG?s community of practice (CoP). And at the regional and global levels, these lessons will be disseminated through FOLUR Regional and Global CoPs and exchanges.

Key knowledge management deliverables include:

? Knowledge Management and Outreach Strategy and Action Plan.

? Lessons learned case studies of experiences captured across the FOLUR interventions and landscapes.

? Knowledge products for public dissemination.

? Contributions to the FOLUR Global Platform annual reports, knowledge products, technical and policy briefs, etc.

The knowledge management timeline is incorporated into the project strategy. The Knowledge Management and Outreach Strategy and Action Plan will be prepared in the first year of implementation. FOLUR domestic workshops are planned annually, rotated across the five project jurisdictions and at least one convened in PNG. Three regional FOLUR events are planned, tentatively scheduled in Year 1, Year 3, and Year 5. Participation in three global FOLUR are tentatively scheduled in Year 2, Year 4, and Year 6. Knowledge products will be prepared regularly, as well as internet and social media posts.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored annually and evaluated periodically during project implementation. If baseline data for some of the results indicators is not yet available, it will be collected during the first year of project implementation. The Monitoring Plan included in Annex details the roles, responsibilities, and frequency of monitoring project results.

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP and UNDP Evaluation Policy. The UNDP Country Office is responsible for ensuring full compliance with all UNDP project monitoring, quality assurance, risk management, and evaluation requirements.

Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies[1]. The costed M&E plan included below, and the Monitoring plan in Annex 3, will guide the GEF-specific M&E activities to be undertaken by this project.

In addition to these mandatory UNDP and GEF M&E requirements, the project will also ensure effective monitoring and reporting on Global Platform Indicators as required by the FOLUR Global Platform, including metrics in areas of capacity and training, policies and value chains, knowledge, descriptive case studies, and gender, linkages between indicators at different levels is provided within Annex 3. Other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report.

Additional GEF monitoring and reporting requirements:

Inception Workshop and Report: A project inception workshop will be held within 60 days of project CEO endorsement, with the aim to:

? Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.

? Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.

? Review the results framework and monitoring plan.

? Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.

? Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.

? Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.

? Plan and schedule Project Board meetings and finalize the first-year annual work plan.

? Formally launch the Project.

The National Technical and Safeguards Officer will prepare and submit the inception report no later than one month after the inception workshop. The inception report will be cleared by the UNDP-CO and the UNDP-GEF Regional Technical Adviser and will be approved by the Project Board.

GEF Project Implementation Report (PIR): The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR. The PIR submitted to the GEF will be shared with the Project Board. The quality rating of the previous year?s PIR will be used to inform the preparation of the subsequent PIR.

The GEF Core indicators: included as Annex 14 will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the indicator status. The updated monitoring data should be shared with MTR/TE consultants prior to required evaluation missions, so these can be used for subsequent ground-truthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF website.

Independent Mid-term Review (MTR): An independent mid-term review process will begin after the *second* PIR has been submitted to the GEF, and the MTR report will be submitted to the GEF in the same year as the *third* PIR. The MTR findings and responses outlined in the management response will be incorporated as recommendations for enhanced implementation during the final half of the project?s duration. The terms of reference, the review process and the MTR report will follow the standard templates

and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Centre (ERC). As noted in this guidance, the evaluation will be ?independent, impartial and rigorous?. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate. The final MTR report will be available in English and will be cleared by the UNDP-CO and the UNDP-GEF Regional Technical Adviser and approved by the Project Board.

Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terminal evaluation process will begin three months before operational closure of the project allowing the evaluation mission to proceed while the project team is still in place, yet ensuring the project is close enough to completion for the evaluation team to reach conclusions on key aspects such as project sustainability. The NTSO will remain on contract until the TE report and management response have been finalized. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center. As noted in this guidance, the evaluation will be ?independent, impartial and rigorous?. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the UNDP-GEF Directorate. The final TE report will be cleared by the UNDP-CO and the UNDP-GEF Regional Technical Advisor and will be approved by the Project Board. The TE report will be publicly available in English on the UNDP ERC.

Final Report: The project?s terminal GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

Agreement on intellectual property rights and use of logo on the project?s deliverables and disclosure of information To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy[2] and the GEF policy on public involvement[3].

Table 4. Monitoring and evaluation plan and budget.

Monitoring and Evaluation Plan and Budget			
GEF M&E requirements	**Responsible**	**Indicative costs (US$)**	**Time frame**
Inception Workshop	Implementing Partner NTSO/Coordinator/ CTA	$10,000	Within 60 days of CEO endorsement of this project.
Inception Report	NTSO/Coordinator/ CTA	None	Within 90 days of CEO endorsement of this project.
Monitoring of indicators in project results framework	NTSO/Coordinator/ CTA	$16,600 ($2,000 pa plus equipment and misc expense)	Annually prior to GEF PIR. This will include GEF core indicators at mid-point and project closure.
GEF Project Implementation Report (PIR)	UNDP Country Office NTSO/Coordinator/ CTA RTA	$9,000	- Annually typically between June-August. - Annual meeting for Technical Advisory Committee and stakeholders to review progress of annual workplan implementation as well as annual monitoring of key indicators.
Monitoring of safeguards: ESMF, ESIA/SESA, ESMP and SESP	Project Safeguards Officer (50% of their time allocated)	$88,770	On-going.
Supervision missions		None	Annually

Independent Mid-term Review (MTR)	UNDP Country Office PM/Coordinator/ CTA Independent evaluators	$60,000	June 2024
Independent Terminal Evaluation (TE)	UNDP Country Office PM/Coordinator/ CTA Independent evaluators	$64,000	March 2027
TOTAL indicative COST		**$248,370**	

[1] See https://www.thegef.org/gef/policies_guidelines

[2] See http://Pisin.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

[3] See https://Pisin.thegef.org/gef/policies_guidelines

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The project is targeting the delivery of significant socio-economic benefits. Through Component 1 the project will support the establishment of an effective system for integrated land use and development planning that will help to address conflicts over land use, enhance the engagement of women and vulnerable members of communities in land use decision making, provide increased security of tenure and access to resources for rural communities as well as to help safeguard environmental services through the provision of information on their value and their inclusion in land use plans.

Under component 2 the project will target significant increases in productivity within the target commodities (100% and 45%, in cocoa and oil palm production respectively) as well as increasing the price per unit paid for cocoa through enhanced access to premium markets. Improved extension support will also help support development of more diversified farming and livelihood practices within commodity producing areas helping to support enhanced livelihood and income security for farmers. A focus on ensuring the engagement of women in training and capacity building activities as well as development of

more effective payment systems for cocoa will also help to ensure that female farmers are able to benefit more effectively from commercial farming.

Under component 3 the project will help to deliver enhanced land use management practices that will benefit communities through strengthening community conservation initiatives and integrating them into government budgeting systems, as well as working to support the development of self-financing approaches to woodlot development that will help to provide merchantable timber for communities as well as taking pressure of local forest areas.

Through these interventions the project will address the key drivers of land degradation and deforestation as well unsustainable expansion of agriculture and will direct benefit over 66,000 people with the majority of these being small holder farming families. The economic benefits gained by these groups will help to strengthen commitments to SLM approaches that will help to preserve key forest areas and areas of environmental importance within the production landscapes. The integration of these groups within global supply chains committed to sustainability will also help to provide more direct market signals as to both the immediate commercial as well as long term sustainability benefits of such SLM practices. Through increases in production and exports of key commodities as well as enhanced partnerships between government and private sector key decision makers.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
	High or Substantial		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Project Information

Project Information	
1. Project Title	**FOLUR IP:** Establishing systems for sustainable integrated land-use planning across New-Britain Island in Papua New Guinea
2. Project Number	6394
3. Location (Global/Region/Country)	Papua New Guinea ? East (Pomio and Gazelle Districts) and West New Britain (Talasea and Kendiran Gloucester District)

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project **Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?**
Briefly describe in the space below how the Project mainstreams the human-rights based approach

The strengthening of a Human Rights based approach to land use and resource management is central to the very objective of the project which is focused to ensure integrated approaches to land use management that are sustainable and thus in design must respect and support the human rights of those both on the land and affected by its use. To ensure that the project targets appropriate beneficiaries, it will facilitate dialogue with target communities, identify areas where their rights are threatened, and respect existing legislation related to socio-cultural rights, as well as ensuring adherence to Free, Prior and Informed Consent (FPIC) guidelines.

Within the specific approaches of the project, the principles of human rights are also fully integrated including through:

? Supporting meaningful stakeholder participation and inclusion, in the implementation of the project activities, including local indigenous communities, marginalized/vulnerable groups, women, migrants, disabled persons and children. A Stakeholder Engagement Plan has been developed for this purpose and Indigenous Peoples? Plans will be developed in consultation with indigenous communities. The project focuses on:

  ? Strengthening engagement and empowering indigenous/land-owning communities to engage with government systems for land use planning to enhance the recognition of their rights and wishes within formal planning systems.

The development of a National Sustainable Land use planning framework and systems, ensuring that identified use of land is not changed without free, prior and informed consent of indigenous groups.

Land use zoning, based on a bottom-up process in all land-owning communities, which are responsible for identifying areas for specific activities to take place.

Consultations occur at both national and subnational level through regular meetings consisting of the relevant sector agencies (government institutions), private sector, and civil society, as well as local level, district and provincial governments and customary landowners and local communities.

Development of small-scale woodlots ensures that local communities are taken into consideration and involved in the process of forest rehabilitation and promoting sustainable forest management and livelihoods.

  ? The PNG Oil Palm Platform establishes a multi-stakeholder platform which involves all key stakeholders including local communities/landowners (LOs).
  ? Full and effective stakeholder engagement is promoted through development of public/private community partnerships for plantation development such as via tailored farmer support programs.
  ? All activities such as strengthening financial literacy trainings are supported through capacity building/training directly to LOs and local communities to ensure development is sustainable.
  ? Awareness-raising activities and training are provided in the local language or *Tok pisin*.
  ? Sustainable Livelihood options for local communities within CCA?s is ensured through capacity-building of small enterprises.
  ? Communities are fully engaged and empowered to effectively manage their land through CCA following full consultation and engagement on their design and designation.

? Recognition and respect for customary land tenure in the project activities through the following activities:

  ? Communities are empowered to choose to designate customary land areas for conservation under community conservation areas through an FPIC process.
  ? Customary landowners and local communities are engaged and will be central decision-makers in the development of spatial plans at the ward, district, and provincial levels, and integrated into broader district, provincial and national land use development plans.
  ? Support is provided in the development of any benefit sharing agreements with communities within CCA management to ensure the local communities and LO?s are not disadvantaged in the process of implementing this project.

? Promotes accountability and the rule of law ;

Briefly describe in the space below how the Project is likely to improve gender equality and women?s empowerment

? The project promotes nondiscrimination and equality through the proactive involvement of women in all project activities.

? Stakeholder engagement plans and tools to be developed will be based on stakeholder and gender analysis that is premised on province-specific social and cultural constructs, norms and practices in engaging with different stakeholder groups. This will include how discussions are conducted, decisions made, accountabilities established, and grievances addressed. Plans and tools will be socially inclusive and gender responsive.

? The recognition and integration of local communities and LO?s as part of spatial planning and land use development activities have the potential to support gender equity in land use decision-making and improve options for women to be involved in activities that encourage income generation at the subnational level, through increased smallholder productivity as part of sustainable commercial plantations, woodlot development and forest rehabilitation, conservation commodities and sustainable livelihoods (small enterprises) in community conservation areas, which provide a degree of financial security and empowerment for women.

? The project will specifically work with women within cocoa and palm oil value chains to support their roles, providing opportunities for women to strengthen and diversify their roles within farm practices and value chains as well as to gain greater income.

? Collection of gender disaggregated data as part of the project?s monitoring systems provides an opportunity to monitor the project engagement across groups and to tailor interventions to promote gender equity and women?s? empowerment.

? Management or coordination committees established under this project will ensure women are fairly represented and participate in decision-making processes.

Briefly describe in the space below how the Project mainstreams environmental sustainability

Environmental monitoring is at the centre of the project design and will be mainstreamed through all components and outcomes including:

Component 1 ? development of approaches to integrate sustainable land use and development planning will include a strong focus on environmental sustainability including improved protection and management of key habitats and environmental services. Capacity and governance within existing government arrangements will be reviewed and strengthened where gaps exist, to ensure coordination between environmental management frameworks at national and sub-national levels.

Component 2 - focuses on improving the environmental sustainability of key commodity supply chains and will work with partners to both strengthen the quality and application of domestic policy and regulation and the uptake of international certification systems for environmental sustainability in agricultural production.

Component 3 ? focuses on rehabilitation of degraded forest areas as well as conservation of key environmental areas including HCV areas within production landscapes.

Environmental and social indicators will be part in the monitoring process.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Describe briefly potential social and environmental risks identified in Attachment 1 ? Risk Screening Checklist (based on any ?Yes? responses). If no risks have been identified in Attachment 1 then note ?No Risks Identified? and skip to Question 4 and Select ?Low Risk?. Questions 5 and 6 not required for Low Risk Projects.*	**QUESTION 3: What is the level of significance of the potential social and environmental risks?** ***Note: Respond to Questions 4 and 5 below before proceeding to Question 6***			**QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?**
Risk Description	***Impact and Probability (1-5)***	***Significance*** ***(Low, Moderate, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.***

Risk 1 : Indigenous peoples are present in the Project area and the Project is located on lands and territories claimed by indigenous peoples. There is a risk that an absence of culturally-appropriate consultations will lead to project activities being instigated without securing Free, Prior, Informed Consent (FPIC) of local indigenous communities. SES Standard 6 q. 1-7, 9. .	**I = 4** **P = 3**	**High**	Although exact project locations are not yet defined, Indigenous People are present throughout the project areas. Standard 6 is therefore of relevance to all social and environmental risks in this SESP. The project sites in which activities will be carried out are located in provinces and on land and natural resources which belong to customary/traditional landowners. This means that there is a risk that project activities will affect the land use structures, and that certain land zoning places prohibitions over the use of land, especially for traditional activities such as hunting, gardening, and any other traditional forms of land use.	FPIC is a legal requirement in PNG. The ESIA will assess the likely impacts on Indigenous People on a per-landscape basis, as exact project locations are specified. Consultations will be carried out with the objective of achieving initial consent from the specific rights-holders, in line with Standard 6 requirements. Site-specific Indigenous Peoples? Plans will be developed, with full participation of indigenous communities. A comprehensive Stakeholder Engagement Plan has been prepared, (see Annex X). Initial FPIC consultations have taken place and will be ongoing throughout project implementation, following the measures summarized in the ESMF and in the Indigenous Peoples? Plans that will be prepared as part of the subsequent ESMP. FPIC will be required for all activities which may affect indigenous people.

Risk 2: Economic displacement Improved enforcement of landscape protections and development of zoning could result in changes to current access to resources, potentially leading to economic displacement. Principle 1, q3; Standard 5, q2.	**I =3** **P =2**	**Moderate**	The project has the potential to affect land use zoning and/or community-based rights/customary rights to access to land, territories and/or resources. Although this has potential to benefit some, it could also have adverse impacts particularly on marginalized or unempowered people restricting their access to land for farming or forest areas for collection of resources, leading to economic displacement.	As the project is High risk with potential downstream and upstream impacts, an ESIA is required for field-level activities and a SESA is required for the upstream activities, such as policy advice, planning support, training and capacity-building, . An ESMF has been prepared during the PPG, and Indigenous Peoples? Plans will be prepared following project inception, in conjunction with community groups. The ESIA, SESA, and stakeholder consultations will inform the development of the required ESMP. The risk will be managed through the ESMP and stakeholder consultation arrangements, ensuring that livelihoods are not adversely impacted by the project and FPIC is obtained for any activities that may impact indigenous peoples. The impact assessments will identify any economic displacement, and strategies will be included to avoid, minimize or manage any such impacts. Where necessary, a Livelihood Action Plan will be produced to ensure that any such impacts are appropriately managed. This SESP will be revised based on further assessments and on information/details gathered during project implementation. Revisions to the SESP will inform the ESMP and IPPs over the course of the project.

Risk 3: Loss of access to natural resources Improved enforcement of landscape protections and new approaches to land management could result in changes to current access to resources. Principle 1, q.2, Standard 1, q.1., Standard 6, q.3.	**I = 3** **P = 2**	**Moderate**	Ecosystem services include collection of traditional attire for cultural purposes (bilas for traditional ceremonies etc.), and restrictions on forest use may result in the exclusion of these groups from potential sources of income and the enjoyment of their economic and social rights.	The project emphasizes sustainable intensification, which precludes expansion into HCV/HCS, and will ensure that important traditional activities and resources are protected, in accordance with Standards 4 and 6. The ESMP will ensure that access to natural resources is preserved.

Risk 4: ?Elite Capture? could result in a failure of vulnerable groups to benefit from the project. The Project could have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups. Principle 1, q4.	**I = 4** **P = 4**	**High**	Misuse/abuse of the national sustainable land use planning (NSLUP) by political powers working with dominant groups (principal LO?s, chiefs, headmen etc) to suit their personal interests, may isolate vulnerable/marginalized groups and prevent them benefiting from potential economic opportunities. Land Owners (LOs), often chiefs (headmen), may dominate the process of land use development, at the local level, due to customary practices which may exclude marginalized/vulnerable groups from the decision-making processes. Sustainable palm oil and cocoa development is controlled by smallholders who are often LOs/block owners. Marginalized/vulnerable groups, and farmers who do not own their land could potentially be excluded from discussions on its management, improvements and potential benefits.	The ESIA, which will assess potential downstream impacts in this SESP (and any others identified) will be specifically targeted towards poor and vulnerable groups, conducted through thorough stakeholder consultation. M+E arrangements will be developed using appropriate poverty indicators. FPIC is required for all activities which will impact communities (all of which are indigenous). The project will also consult with local NGOs to further ensure that it takes all relevant viewpoints into account.

Risk 5: That rights-holders do not have the capacity to claim their rights. Principle 1, q6.	**I =3** **P=3**	**Moderate**	Due to illiteracy many LOs/local communities lack the capacity to claim their rights in the event of breaches by PS/National Govt./Provincial Govt of environmental permitting processes or regulations, laws or systems within Community Conservation Areas, especially on customary land. Environmental permitting processes only apply to land owning communities, which excludes marginalized/ vulnerable groups from also attaining this knowledge. This includes migrants from other areas, in particular widows who married into the community (including their children, particularly girls) who lost their rights to land when the husband/father died.	The project is based on proactively encouraging and assisting full participation of all sectors of society, in particular poor and vulnerable groups. The ESIA will identify vulnerable groups, and develop specific measures to mitigate this risk.

Risk 6: Low participation rates among smallholders. Principle 1, q4.	**I=3** **P=3**	**Moderate**	Insufficient numbers of farmers/smallholders taking up incentive schemes, due to poor access, lack of information, perceived insufficient compensation, bureaucratic delay, and a historic legacy from disappointing experiences with previous land use schemes (eg. ?lease, lease-back?). High levels of illiteracy among the poor means that many may not be able to understand and participate in awareness raising/trainings on either land use/spatial planning, environmental management or sustainable forest management. This places them at a disadvantage and prevents them from contributing to and benefitting from these initiatives.	The ESIA and associated stakeholder consultation conducted as part of the ESIA, will establish any reservations about taking part, and the reasons for reluctance to do so among all types of commodity farmers, regardless of their tenure arrangements, including the informal sector. FPIC is required throughout. The results of the ESIA will inform further iterative project design, including the development of KPIs specific to vulnerable/marginalized groups.

Risk 7: Social Tensions. Existing community and inter-community conflicts may be exacerbated by project activities. Project activities seen as favouring one community over an adjacent one, might give rise to new conflicts. Principle 1, q8.	**I = 4** **P =2**	**Moderate**	Conflict which did not previously exist might be ignited between adjacent landowning groups if activities on demarcation of land boundaries/spatial planning/zoning are introduced. Conflicts could result between LOs/local communities on decisions over which land to allocate for wood lots, areas designated for forest rehabilitation as part of improved environmental management activities. A degree of distrust of arrangements with large-scale commodity producers exists as a legacy of past agreements whereby communities have lost a degree of control over land use.	Comprehensive stakeholder engagement will be conducted, and FPIC will be secured for all project activities. The project will fully take into account community views which will inform project outputs for each landscape.

Risk 8: Gender Inequality. Project activities and approaches might not fully incorporate or reflect views of women and girls, or ensure equitable opportunities for their involvement and benefit. Principle 2, q2, q4	**I=3** **P=3**	**Moderate**	A lack of specific inclusion of women within community activities that have the potential to help generate income, such as spatial planning at the subnational level, or cocoa farming and sustainable oil palm development, environmental conservation commodities, ultimately impacts women and girls disproportionately to the rest of the community. Lack of a proactive approach towards a participatory and gender inclusive stakeholder engagement process may result in the limited incorporation of a gender perspective. The absence of a mechanism for sector agencies to monitor ILGs ? numbers registered, details of clan composition, boundaries, objectives and gender participation - means that women may continue to be poorly represented at the local community level, potentially limiting women?s participation in decision-making. Lack of sex desegregated data in collection of information management systems to develop spatial planning (data systems), may result in men?s and women?s differentiated needs, uses, skills, and knowledge on forests and natural resources not being identified and included. This can adversely affect the successful planning and implementation of project activities and	This risk is assessed in the gender analysis and managed through the Gender Action Plan, which will be integrated into overall project management systems. Stakeholder consultation arrangements and required FPIC consultations will specifically and proactively include women, and the project will use the services of a gender specialist, who will work closely with the National Council of Women, and will conduct participatory explorations of how best to improve project benefits for women.

Risk 9: Labour Standards. Field- and policy-level activities related to the value chains of key commodities could inadvertently support child labour and other violations of international labour standards. Standard 3, q8.	**I=3** **P=2**	**Moderate**	The project will promote the establishment of farmer support and integrated value chain traceability systems for palm oil and cocoa, including support to capacity development and sustainability certification for smallholder producers. Due diligence safeguard procedures have been conducted for prospective private sector partners. The project therefore has clear potential to produce a net benefit in improving labour standards compliance through promotion of third party certification standards. However, there remains a risk that international labour standards will not be fully adhered to, and may be difficult to monitor and enforce at the field level. This has the potential for reputational damage to UNDP. Development of small-scale woodlots, forest rehabilitation and environmental conservation activities, may involve payments by LOs/local communities of incentives or livelihood support. These forms of payment/support may fail to comply with national laws on unfair transactions[2] and/or ILO conventions on equal/fair remuneration, discrimination against women, and prohibitions against child workers (minimum age laws). Commodity production and support for smallholders? and landowners? SMEs may require work in eco	The ESIA will include a review of labour standards in the target districts where interventions related to smallholders will take place, and identify safeguards including monitoring arrangements integrated into the ESMP.

Risk 10: Cultural Heritage Potential for adverse impact on sites, structures, or objects with historical, cultural, artistic, traditional or religious values. Standard 4, q.1, Standard 6, q.9	**I=3** **P=1**	**Low**	There are a large number of clans with attachments to specific landscapes in the project areas, which may contain burial grounds, religious or culturally important structures. Intensification of commodity production could lead to the abandonment of such sites with cultural significance. The probability is low, due to the wide availability of land for commodity production.	
Risk 11: Loss of intangible forms of culture, such as knowledge, innovations, practices. Standard 4, q1, Standard 6, q.9.	**I=3** **P=1** (a) **P=1**	**Low**	Introduced forms of cash cropping such as commercial sustainable oil palm development, and cocoa production could become more attractive to the younger generation of LOs/local communities, eventually replacing the traditional agricultural practices, resulting in loss of traditional knowledge. The probability of this is low, as although the project?s focus is on commodity production, the project promotes diversified farming/livelihood systems, agroecology and nature-based solutions, and does not seek to displace traditional agricultural practices.	

Risk 12: Damage to Protected Areas and/or biodiversity. Poorly designed or executed project activities could damage critical or sensitive habitats, including through the introduction of invasive alien species during forest restoration activities. Standard 1: q1, 2, 3, 5, 6	**I=3** **P=3**	**Moderate**	As part of the actions to improve degraded areas of land through forest rehabilitation there is a possibility that invasive species may be introduced which would threaten the native species (plants/wildlife).	Restoration will be carried out in accordance with management plans developed through participatory processes informed by the ESIA, and in accordance with the ESMP. No IASs will be used, and preference will be given to native species.
Risk 13: The project involves the application of pesticides that may have a negative effect on the environment, with potential for adverse local, regional, and/or transboundary impacts, as well as the potential to result in the generation of waste (both hazardous and non-hazardous). Standard 7, q.1	**I = 3** **P = 2**	**Moderate**	Excessive use of fertilizers as part of oil palm and cocoa development could lead to contamination of rivers and water sources for drinking and impact on soil degradation and the overall degradation of the natural habitat in that specific area.	The project design will include appropriate safeguards, including training and monitoring, based on the ESIA and covered in the ESMP.

Risk 14: Workers in commodity supply chains (including smallholder producers) might be exposed to hazards in their use of chemical inputs (pesticides, fertilizers etc.) without adequate PPE, training and safeguards, or which might be subject to international bans. Standard 3: q7; Standard 7: q3, q4	**I = 3** **P = 4**	**Moderate**	Farmers and workers are often ill-informed about the dangers of agricultural chemicals and correct safety procedures, and appropriate PPE is not always available or used.	The project is designed to equip the target smallholders with training on application of Good Agricultural Practices (GAP) on farm. Farmers will be trained to appropriately gear themselves against exposure of hazardous materials. Additionally, GAP will prescribe appropriate types and doses, and means of application of chemical inputs that are not internationally banned or prohibited under law. The ESIA will include assessment of the risk that the project will lead to an increase of exposure to hazards, and appropriate safeguard procedures will be employed.

Risk 15: Project activities and outcomes will be **vulnerable to the potential impacts of climate change.** Standard 2, q2; Standard 3, q5	**(b)** **I = 4** **P = 5**	**High**	Climate change is contributing to changes in the viability of different crops within landscapes as well changes in the nature and transmission of crop diseases. There is a risk that negative climatic impacts could offset project benefits or cause negative impacts if interventions are not effectively designed to be climate change compatible. Limited specificity and potential high impacts of climate change related events e.g. storm surges, river flooding etc may also present significant challenges to effective land use zoning and inclusion of risks within this process while also maintaining political and community commitments due to potential restriction s that inclusion of such risks may present. .	Further studies will be included in the SESA and ESIA, which will establish appropriate risk management strategies with the inclusion of climate change scenarios in LUM strategies, and the need for diversified farming and livelihood systems, agroecology and nature-based solutions.

Risk 16: A failure to establish the correct **balance between improving per hectare commodity production with improved enforcement of land use regulations** might in certain locations produce a counter-productive result. ? Standard 1, q11.	**I=4** **P=2**	**Moderate**	There is a possibility that increasing the per ha profit from commodity production might lead to an increased incentive to expand production into forest areas or areas of high biodiversity value including protected areas, particularly where enforcement of land use regulations is lax.	The issue will be further studied during the course of the SESA. SESA findings will feed into the development of the ESMF, and plans are designed to strengthen collaborative governance mechanisms in support of effective conservation and restoration. Sustainable intensification of commodity production is accompanied by improved governance/enforcement and market-based incentives, balancing the ?carrot and stick? of project interventions, improving enforcement of land use restrictions with a focus on HCV or HCS land, and improving resources and systems.

Risk 17: Risk posed from COVID-19 pandemic or similar disease outbreak, having implications at international, national and sub-national levels resulting in a changing social and environmental landscape for project implementation and enhanced risk of negative impacts.	**I=4** **P=4** **High**	**High**	The project preparation phase has coincided with the outbreak of the COVID-19 pandemic. Within this context it is evident that the pandemic and measures to address it have had a significant impact on communities within the target landscapes. How these impacts will continue to manifest however remains unclear but could include. Significant health impacts across communities Social tensions linked to health impacts or measures to control them Disruption to supply chains and market access resulting in reductions in income or difficulties to maintain access to services All of these elements are likely to have varied and unequal impacts across communities in the landscape with those most vulnerable liable to be the most heavily impacted. Project interventions within the context of constrained travel or health fears may thus present the potential to further exacerbate inequalities and / or present additional risks to communities from transmission of disease into remote areas.	The environmental and social impact assessment (ESIA) will include an evaluation of the vulnerability of project stakeholders to such crises, and management measures will be integrated into the environmental and social management plan (ESMP).

	QUESTION 4: What is the overall Project risk categorization?		
	Select one (see SESP for guidance)		**Comments**
	Low Risk	**?**	
	Moderate Risk	**?**	
	High Risk	**R**	The overall risk-rating for the project is ?High?, and the identified risks will be revised on an ongoing basis, based on further assessment and information during the project implementation. To meet the SES requirements the following has been prepared: (i) ESMF; (ii) Stakeholder analysis and comprehensive Stakeholder Engagement Plan; (iii) Gender analysis and Gender Action Plan. An Environmental and Social Impact Assessment (ESIA) will be commissioned during project implementation, to assess all risks, with a particular focus on adverse impacts on poor, marginalized and vulnerable groups. A SESA will be conducted for upstream risks. An Indigenous Peoples? Plan will be developed.
	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?		
	Check all that apply		**Comments**
	Principle 1: Human Rights	**R**	

	Principle 2: Gender Equality and Women?s Empowerment	**R**	
	1. Biodiversity Conservation and Natural Resource Management	**R**	
	2. Climate Change Mitigation and Adaptation	**R**	
	3. Community Health, Safety and Working Conditions	**R**	
	4. Cultural Heritage	**?**	
	5. Displacement and Resettlement	**R**	
	6. Indigenous Peoples	**R**	
	7. Pollution Prevention and Resource Efficiency	**R**	

[1] Matrilineal societies in PNG.

[2] Within the Constitution of PNG all Papua New Guineans are guaranteed rights to employment (section 48) or to benefit from development on their land (NGDP Goal 2 ? Equality and Participation).). *The Fairness of Transactions Act* would need to be considered in such circumstances and will only be recognized if ILGs are in place. Foreign/donor agencies/Government agencies who engage with and fund LO?s or local communities would need to work through some form of legal mechanism which would either be in the form of ILGs/Associations or landowner companies etc, to safeguard against the likelihood of inequitable/unfair employment or business practices. ILGs are the most appropriate for LOs/local communities to set up under the *Land Groups Incorporations Act*. The minimum wage will also need to be considered in the event of both formal and casual employment as set out by the regulations on Minimum Wages governed by the Department of Labour and Industry.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted

Title	Module	Submitted
Annex 4_PNG 6394 SESP 04 Sep 2020	**CEO Endorsement ESS**	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

This project will contribute to the following Sustainable Development Goal (s):

SDG 1: End Poverty in all its form everywhere:

Target 1.1: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

Goal 13. Take urgent action to combat climate change and its impacts

Target 13.2: Integrate climate change measures into national policies, strategies and planning

SDG Target 15: Life on Land (Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Target 15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements;

Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally;

Target 15.3: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world;

Target 15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species;

Target 15.9: By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD):

UNDAF PNG 2018-2022: Outcomes 2 & 3

Sub-Outcome 2.1: *By 2022, Papua New Guinea has a strong legislative framework, credible enforcement mechanisms and governance structures at all levels enabling equitable and diversified economic growth*

Sub-Outcome 3.3: *By 2022, people, particularly marginalized and vulnerable, are empowered to manage climatic risks, develop community resilience and generate development opportunities from protection of land, forests and marine resources*

UNDP PNG Country Programme Document 2018-2022:

Output 2.1: National systems strengthened to support growth of sustainable and inclusive entrepreneurship;

Output 3.1: Legislation, policy and strategic plans for climate proofing, conservation, sustainable use of natural resources and disaster risk management in place.

UNDP Strategic Plan 2018-2021: Signature Solution 4: Promote nature-based solutions for a sustainable planet; **Output 1.4.1** Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains.

	Objective and Outcome Indicators **(no more than a total of 20 indicators)**	**Baseline[1][2]**	**Mid-term Target[3][4]**	**End of Project Target**
Project Objective: Reduce rates of agricultural driven deforestation and biodiversity loss and to establish a sustainable system of land-use planning to guide future land	**Indicator 1**: *(GEF-7 Core Indicator 11)*: Number of direct project beneficiaries disaggregated by gender (individual people)[5][6]	0	*30,000 individuals (12,900 females and 17,100 males) receiving direct benefits from project interventions*	***66,647 individuals*** *(28,838 females and 37,809 males)*
	Indicator 2: *(GEF-7 Core Indicator 3):* Area of land restored (hectares)	At present there is no land specifically set aside for restoration that is recognised in formal government planning systems.	*Restoration plans formulated where 50,000 ha of areas of degraded land delineated and designated upon for restoration.*	***50,000 ha****: including 10,000 ha of degraded agricultural lands (3.1), and 40,000 of forest lands (3.2) restored*

development activities across Papua New Guinea.	**Indicator 3:** *(GEF-7 Core Indicator 4):* Area of landscapes under improved practices (excluding protected areas)	Currently no SML management practices in place.	*2,712,364 ha: 2,690,870 ha outside PA/CA endorsed for SLM implementation, where 200K ha of set-aside areas endorsed for conservation and limited cultivation of which 21,494 ha designated for complete conservation*	***2,712,364 ha:*** *including 2,690,870 ha of landscapes under improved practices to benefit biodiversity (4.1), leading to 21,494 ha of HCV forest loss avoided (4.4)*
	Indicator 4: *(GEF-7 Core Indicator 6)*: Greenhouse Gas Emissions Mitigated (million metric tons of CO2e)	Baseline based on deforestation rate of 0.81%	*0 metric tons of direct post-project;*	*32.3 million metric tons lifetime direct post-project (20-year estimate)); lifetime indirect GHG mitigation will be estimated at MTR*
Component 1	**Development of integrated landscape management systems**			
Outcome 1: National Sustainable Land Use Planning Policy Framework, supporting effective management of development activities, formulated, legalized and mainstreamed into the development	**Indicator 5:** No. of national plans and supportive legislative instrument passed by NEC - NSLUP - Supportive regulations of NSLUP implementation	At present there is no policy or legislation on SLM in PNG	NSLUP passed, one draft national regulation and two draft provincial policies and regulations	One national regulation approved by NEC and supporting guidance approved at department level and two provincial policies and regulations passed at PEC level and supporting guidance developed.

planning process for two provinces, four districts and four LLGs	**Indicator 6:** Number of jurisdictions utilizing SLUP guidance for development of land use plans designating at least 2,690,870 ha of landscape under improved practices and at least 21,494 ha for complete protection/conservation.	0	Two provinces, four districts and four LLGs have initiated use of guidance	Two provinces, four districts and four LLGs formulate land use plans fully utilizing the SLUP guidance.
Outputs to achieve Outcome 1	Output 1.1. National Sustainable Land-use planning policy, regulations endorsed, implemented and sustainably financed Output 1.2. Sustainable land use planning information and coordination systems and tools established at national and subnational level in target provinces Output 1.3. Two provincial, four district and four ILG development plans reviewed to consider SLM including participatory development of land use zoning maps linked to development plans Output 1.3. Provincial-level sustainable landscape management (SLM) plans developed, consulted on and integrated into development planning across two provinces, four districts and four LLGs across New Britain			
Component 2	**Promotion of sustainable food production practices and responsible value chains to reduce land stress and avert degradation and deforestation**			
Outcome 2: Strengthened cooperation and coordination within Cocoa and Palm Oil sectors for enhanced sustainability productivity and investment and reduced land clearance	**Indicator 7:** Number of policies and action plans approved that fully integrate sustainable production	None	Action plans for Cocoa and Palm Oil approved at department level with 2 provincial plans approved at PEC	Palm oil policy and cocoa policy revised cocoa policy and approved at NEC level
	Indicator 8: Percentage of the operational costs of multi-stakeholder platform structures sustainably financed through government and private sector - fully operational and sustainably financed multi-stakeholder platform	No sustainable financing commitments	The government and private sector covering at least 25% of the platform operations through signed cooperation agreements/MoUs.	Costs for maintaining relevant levels of platform operation 100% covered through signed agreements/MoUs.

	Output 2.1. National level Palm Oil and Cocoa Platforms fully operational and linked with subnational coordination systems Output 2.2. Scenario analysis of cocoa and oil palm development in PNG Output 2.3 One national policy and guidance and two subnational action plans on sustainable palm oil development, and one national policy and two subnational action plans on sustainable cocoa formulated and adopted			
Outcome 3: Strengthened Smallholders Support Systems that promote sustainable agricultural practices through enhanced access to technical support, finance, and markets	**Indicator 9:** Percentage increase in income of smallholder farmers through adoption of good agricultural practices.	Baseline to be established during Y1 of project implementation	Increased by 10%	Increased by 30%
	Indicator 10: Number of farmers adopting enhanced sustainable agricultural practices disaggregated by gender	Baseline to be established in year 1	5,000 farmers (1,500 females, 3,500 males and 50% those impacted by COVID-19)	12,305 farmers (3,692 females, 8,613 males and 50% those impacted by COVID-19) receiving improved extension support
Outputs to achieve Outcome 3	Output 3.1 Establishment of enhanced sustainability focused extension systems for small scale palm oil and cocoa producers including through expansion of privatized extension service provision Output 3.2. Testing and roll out of enhanced sustainably focused extension services to smallholders in the oil palm and cocoa sectors including hybrid livelihoods			
Outcome 4: Strengthened value chains to enable sustainable agricultural production	**Indicator 11:** Number of farmers covered by new purchase agreements linked to sustainable production practices and access to higher value global supply chains	No partnerships	At least 2,000 farmers (600 females, 1,400males)	At least 4,000 farmers (1,200 females, 2,800 males)

Outputs to achieve Outcome 4	Output 4.1 Improved access to high value markets through development of business capacity, networking and coordination across smallholders including women and those most vulnerable within communities Output 4.2. Support to development of improved traceability and payment process for cocoa in partnership with key private sector institutions Output 4.3. Establishment of international buyers groups for PNG cocoa and palm oil			
Component 3	**Conservation and restoration of natural habitats through public-private-community partnerships**			
Outcome 5: Strengthened governance structures and institutional capacity for integrated action on conservation and restoration of natural habitats	**Indicator 12.** Percentage increase in the number of environmental infringements reported and percentage of which follow up monitoring and enforcement action is taken.	Baseline to be set during project inception	Established reporting and monitoring system and at least 30% increase in reported infringements and 80% increase in follow up actions.	Monitoring and reporting systems fully operational across landscape and at least 80% increase in reported infringements and 100% increase in follow up actions.
	Indicator 13: Percentage increase investment in environmental planting and small-scale woodlots for restoration of at least 50,000 ha of degraded land in two target landscapes.	ACAIR, ENB/WNB budgets	20% increase in investment	40% increase in investment.
	Output 5.1 Enhanced capacity of provincial officers to take action with regard to environmental issues, including enforcement of environmental legislation, and undertaking of restoration and conservation actions Output 5.2. Establishment of Integrated Environmental Monitoring and Reporting System including remote deforestation monitoring and field verification reporting app Output 5.3. Strengthened action on restoration of degraded areas to prevent environmental risks			

Outcome 6: Enhanced uptake and effective planning and management of buffer zones, set aside and restoration actions the target provinces	**Indicator 14:** Percentage of communities in target areas engaging in at least 21,494 ha enhanced set aside, buffer zone management and restoration activities.	Baseline to be established in Year 1.	30% of communities n targets areas undertaking restoration, set aside and conservation action	60% of communities n targets areas undertaking restoration, set aside and conservation action
Outputs to achieve Outcome 6	Output 6.1. Increased capacity of community groups to effectively manage community-based conservation restoration, set aside, buffer and conservation areas through capacity building of community groups, strengthening coordination networks and development of sustainable finance plans Output 6.2. Detail management and restoration plans for set aside and buffer areas formulated, implemented and monitored			
Component 4	**Knowledge management and M&E**			
Outcome 7: Integrated knowledge management, coordination and collaboration to enhance knowledge of factors to foster lessons learnt for replication in other areas	**Indicator 15**. Improvements in multi-stakeholder process ladder of change[7]	Baseline to be set during project inception	No set targets due to significant period needed to deliver change. Monitoring of progress to be reported.	Improvement of at least one step across all elements of the ladder for cocoa, palm oil and land use planning processes
	Indicator 16: Documentation of sustainable production and sustainable landscape management associated knowledge, as indicated by the number of systems developed or strengthened including: (a) knowledge products, (b) communication pieces/stories (c) traditional knowledge registers, (d) research papers	No information circulated	7 high quality knowledge products circulated targeting different groups	19 high quality knowledge products circulated targeting different groups

Outputs to achieve Outcome 7	Output 7.1: Establishment of a FOLUR community of practice and leadership group to share knowledge and skills domestically and internationally Output 7.2. Project implementation coordinated through proactive steering committee functions and inclusive monitoring and evaluation Output 7.3: Inclusive participation of local communities, including women and indigenous peoples, facilitated through effective implementation of environmental and social management plan Output 7.4 Implementation is monitored and evaluated to assess causal impacts and systemic change Output 7.5 Lessons learnt captured, and knowledge products generated and disseminated globally, regionally, nationally and across target provinces and landscapes

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[1]

[2] *Baseline, mid-term and end of project target levels must be expressed in the same neutral unit of analysis as the corresponding indicator. Baseline is the current/original status or condition and needs to be quantified. The baseline can be zero when appropriate given the project has not started. The baseline must be established before the project document is submitted to the GEF for final approval. The baseline values will be used to measure the success of the project through implementation monitoring and evaluation.*

[3]

[4] *Target is the change in the baseline value that will be achieved by the mid-term review and then again by the terminal evaluation.*

[5]

[6] *Provide total number of all direct project beneficiaries expected to benefit from all project activities until project closure. Separate the total number by female and male. This indicator captures the number of individual people who receive targeted support from a given GEF project and/or who use the specific resources that the project maintains or enhances. Support is defined as direct assistance from the project. Direct beneficiaries are all individuals receiving targeted support from a given project. Targeted support is the intentional and direct assistance of a project to individuals or groups of individuals who are aware that they are receiving that support and/or who use the specific resources.*

[7] The ladder of change was developed as part of the initial oil palm platform and reviewed during the PPG phase of this project. It will be updated during the inception phase in partnership with key stakeholders. The current ladder of change is shown in Annex 22.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Comments	Response	Relevant Section of UNDP Project Document and GGEF CEO ER
GEF Secretariat comments to the Program Framework Document (PFD):		
For a total target area of over 2 million ha the expected GEBs are relatively low. Please ensure the expected targets are aligned to the relevant Outcomes during the PPG stage.	The GEBs have been recalculated based on improved information and use of tools such as the EX-ACT emission calculations ? the project now delivers 50,000ha of land restored, over 2.7m ha improved management and over 32m tCO2e in emissions reductions.	Please refer to Core Indicator table and the indicator description.
Baseline scenario. Multi-stakeholder coordination mechanisms and knowledge hubs at regional and global levels in which the countries participate should be identified (NYDF, TFA, EAT Lancet, etc.). These are crucial in supporting existing communities of practice and allowing the knowledge generated through the child projects to be channelled and to contribute to global knowledge resources on the effectiveness of FOLUR strategies, and will provide an important basis for inter-country collaboration, avoiding (or reducing) the need for the program to establish new mechanisms.	Consideration has been given to the existing forum in which PNG participates and consideration has been given in how best project actions can link with these under Outcome 2 (agricultural platforms) and Outcome 7 (the FOLUR global programme links)	**Outcome 2 and 7.**

Gender. While the PFD identifies entry points and opportunities for FOLUR to address relevant gender gaps, the information is very general and not connected to the context and ambition of FOLUR. Gender considerations should be mainstreamed into the four FOLUR components, outcomes, and indicators. Please provide more details on gender dimensions linked to the project context. This could include a reference in the description of the baseline scenario on the increasing number of commitments and initiatives aimed at promoting gender equality linked to the food value chain, or information related to challenges and opportunities smallholder farmers face e.g. gender dimension linked to cocoa, coffee, and rice value chains and the need to support and enable women?s contribution to the productivity, quality and sustainability of these chains. Finally, in the section on gender the opportunities outlined to include women in the design and implementation are very general and, while directly relevant to GEF?s new gender tags, they are not efficiently linked to the objective, components, and general framework of the IP.	A clear review of the importance of gender has been integrated throughout the document noting the disparities in access to resources and decision making as well as levels of labor input into farming systems between men and women. Gender has also been considered within targets which are disaggregated by gender as well as being mainstreamed into the narratives of project outputs and outcomes for example action on development of agricultural extension materials which must be applicable to and adapted to address different gender considerations. Gender assessment and action plan has been prepared.	**Please refer to Annex 9**

Private sector. While the private sector is mentioned often, the description of how the private sector will be engaged in the Program remains quite vague. It is not clear how the multinationals, national companies and platforms will be stimulated to expand their commitments to other commodities and geographies. Will this only rely on policy changes? In section 2 on stakeholders, the text doesn?t clearly explain how the private sector will be engaged in the program preparation, and their respective roles and means of engagement. In section 4 on private section engagement, important and relevant elements are provided such as the targeted stakeholders, the areas of intervention, the objectives to meet, the promotion of private and green financing (which should be built upon), the policy enhancement and the improved agricultural practices on the ground. Nevertheless, we don?t see clearly how this will be achieved. More detailed and engaging actions of and with the private sector are requested. Please indicate what the private sector co-financing be used for more concretely.	Private sector engagement is central to project design and is integrated throughout the project document. Policy and broader enabling environment changes are seen as important but also critically the process to achieving them through multi-stakeholder dialogue is identified as a means to enhance engagement and progress commitments from private sector while also helping to move regulations towards supporting sustainable investments. This is done through use of tools such as the Targeted Scenario Analysis (under components 1 and 2) as well as use of platform structures. International buyers groups for key commodities (Under Comp 2 Outcome 4) will also provide a means to stimulate engagement in PNG as a country for investment as well as options for exploring possible green financial models. Information on use of co-financing has also been enhanced particularly linked to the roll out of improved extension services with further information also added on PS role under stakeholders.	**Component 1, Outcome 1, Output 3,** **Component 2 ? throughout with particular focus on work of platforms (2.1.) enhanced extension services (2.3) and international buyers group (2.4) as well as under section on Stakeholder Engagement (section 4.4.)**
GEF Council Member comments to the Program Framework Document (PFD):		
Germany (28 June 2019):		
The PIF does not adequately address some fundamental structural challenges of the conventional agricultural production system. Germany would like to request a more explicit analysis of the prevailing transformation challenges towards ecologically sound intensification in both small farming and industrial farming systems, as these substantially affect the described correlation between commodity production and deforestation. Germany suggests addressing these challenges with regard to the agricultural research system, extension system and incentive system more explicitly.	The project recognizes a number of the key structural challenges and seeks to respond to them through a strong focus on improvements in the nature of agricultural extension systems including their content and delivery (Component 2, Outcome 3) as well as working towards amendments in the incentive systems for agricultural development and land use management (under Component 1 ? land use, and Component 2, Outcome 2).	**Outcomes 2 and 3**

The text systematically narrows landscape ecosystem challenges down to forest resources. Consequently, the lack of conclusive regulatory frameworks on soils and targeted incentives for sustainable soil management are not addressed in the PIF. Germany would like to suggest, that the vital role of soil ecosystem services are more specifically spelled out in the program description and analysis of root causes, and to include GSP/FAO in the list of relevant stakeholders.	The project notes the importance of soils and identifies knowledge gaps on effective practices to address this as a key root cause of unsustainable practices. It responds to this through action to enhance extension services (Outcome 3) as well as seeking to establish improved land use zoning that will be based on a number of factors including soil (Outcome 1) and incentive systems for improved environmental management of landscapes.	**Outcomes 1 and 3**
Furthermore, Germany would like to suggest stronger reference to Land Degradation Neutrality (SDG 15.3) targets and policies. The link of this PIF to the LDN conceptual framework (SPI/UNCCD) needs more systematic elaboration and should include an explicit reference to UNCCD as the custodian agency for SDG 15.3. The Economics of Land Degradation Initiative (ELD) and the Economics of Ecosystem Restoration by FAO should be taken into account in component 3.	Avoiding degradation of land is central to the project design with a focus on working to avoid the degradation of land through unsustainable practices whether through forest clearing or the degradation of agricultural land through unsustainable practices. The project identifies the linkages with PNG?s commitments to land degradation neutrality and notes a number of areas in which avoided land degradation are key to project design including in the zoning of land for different uses (Outcome 1) development of improved extension systems (Outcome 3) and work on assessing existing levels of land degradation across the landscape and developing action plans for restoration (Outcome 5). The project will also deliver 50,000ha of land restoration.	**Impacts of land degradation and linkages with unsustainable practices within the Development Challenge (section 2) Outcomes 1, 3 and 5**
United States (03 July 2019):		

Gender. It is insufficiently clear how the program will incorporate actions that will address the institutional constraints on gender equity and women?s economic empowerment on the part of implementing partners (government agencies) and key stakeholders (non-gender oriented CSOs). For example, although the program expresses an interest in providing greater training of women and in increasing their number in leadership roles within groups supported by FOLUR, there is no mention of how government policies and practices (at the national or decentralized levels) will continue to support these initiatives upon the completion of the program cycle. There is also no mention of promoting gender sensitive procurement to encourage economic empowerment of women. Another concern is the gendered rates of literacy; if literacy rates are low, how will female small holder farmers be guided on how to read the labels of agro-chemical inputs so that applications can be applied in a safe and environmentally friendly manner? The issue of gendered literacy also extends to access to credit and land tenure (e.g. title deeds). What strategies are being considered to encourage best practices for measures to increase access to credit for female smallholder farmers and gender sensitive procurement? Finally, the sustainability/durability of interventions to incorporate gender equity and economic empowerment of women at the conclusion of the program cycle could be made clearer.	The project notes the importance of gender and highlights existing disparities in levels of access to resources, decision making and levels of on farm labor. It identifies strategies to address a number of these elements notably through improvements in the extension system (Outcome 3) as well as action to improve payment systems for cocoa that build on the lessons learned and experience from the oil palm sector where establishment of payment cards specifically for women linked to elements of their labor and paid directly to accounts they manage have had significant impacts on female engagement in the sector. All elements of financial and SME training for farmers (Outcome 4) will also adopt a gender considered approach to ensure that existing structural disparities are addressed. A gender assessment and an action plan has been developed at the PPG stage.	**Assessment of gender elements notes within section 2 development challenge as well as within gender section (4.5)** **Annex 9: Gender assessment and action plan**

Additional questions. Given the demographic changes in much of Africa and Asia, how will the program address the various constraints (financial, legal, etc.) that impede the ability of youth (18-25 years) to access productive inputs such as land?	The project recognizes the high importance of youth and the rapid demographic changes being experienced. This is mainstreamed through project outcomes and is also highlighted within a section on youth within section 4.4. It is also noted that action on land use planning and zoning within Outcome 1 is seen as a key step to ensuring enhanced access to land for future generations with consideration within scenario analysis and land use zoning processes of the potential future levels of population growth and changing demands for land.	**Outcome 1** linked to action on improved sustainability of land use including access to land for youth and future generations. Element of youth mainstreamed into all components. Specific considerations of youth **highlighted in section 4.4.**
Norway (26 June 2019):		
We welcome the proposed IP on Food Systems, Land Use and Restoration. We note that the program includes commodities as well as food crops ? challenges may be similar in some ways but are not always identical. Both agriculture itself and surrounding lands contain genetic resources for food and agriculture, a vital resource for resilient food production in coming years. It is therefore timely to focus on Food Systems and their effect on the environment. We would, however, like to be informed more in detail on how the program will ensure "adaptation benefits by creating more climate-resilient and disease-reliant plants" as stated on page 41 in the main document. We note that the issue of challenges for certain food crops due to climate change has also been brought up by the STAP in their review of this Program.	The project notes the issues of climate change on existing food systems and includes action to support provision of extension systems to implement more climate compatible agricultural practices (Outcome 3) this will also occur in partnership with work on provision of improved planting stock (cocoa)/replanting of old stands (oil palm) which will be co-financed through private sector action. Work on land use zoning under Outcome 1 will also help to guide the positioning of agricultural development within areas that are suitable and will remain suitable for specific crops.	Outcome 3 on improved extension services and planting stocks.
Scientific and Technical Advisory Panel (STAP) comments (13 May 2019) to the Program Framework Document (PFD):		

Theory of change. While outcomes, longer-term outcomes and GEBs are clearly specified, the causal links at these levels are less explicit.	The project document includes a theory of change diagram, table and narrative description of the linkages between project outputs, outcomes and impacts (p21 and Figure 2 and table 1) as well as a conceptual model of the project (Figure 1 p19). These concepts are also further alliterated within the Strategy section of the document (Section 3.1).	Theory of change diagram, table and narrative description of the linkages between project outputs, **outcomes and impacts (p21 and Figure 2 and table 1) Conceptual model of the project (Figure 1 p19).** Intro of Strategy section of the document (**Section 3.1**).
Global environmental benefits. Little attention is devoted to trade-offs and possibly negative side effects, though social and environmental risks are mentioned in the risks section. There is little explicit attention to power dynamics, including potential winners and losers from the changes envisaged and how potential conflicts may be addressed.	The potential for winners and losers and elite capture is well noted within the project?s risk framework and will be more explicitly addressed within the development of the EMSP. The project also seeks to address many of these elements through its participatory approach utilizing multi-stakeholder forums and well as tools such as Targeted Scenario Analysis to help decision makers and other stakeholder understand the potential balance and impacts of different approaches.	**Risk assessment Table 11 p 83**, Stakeholder assessment sect 4.4. as well as project outputs 1.3. (including TSA of land use approaches) and 2.2. including TSA of different agricultural development pathways.
Resilience to climate change. Climate resilience not addressed in detail, though mentioned in the section on risks. The proposed response to climate change is quite general at this level; more detail expected in development of country projects and in program-level monitoring and targeted capacity support functions.	Climate resilience and adaptation is seen as central to the project design and is mainstreamed in key project actions including on land use zoning under Outcome 1, development of extension materials outcome 3 and work on restoration planning Outcome 5. These elements are intended to support action on increased resilience of local livelihoods which is seen as a key impact of the project.	**Outcomes 1, 3 and 5 in particular with considerations of enhanced resilience of agricultural systems and livelihoods mainstreamed through project.**

Innovativeness. Emphasis is on policy and institutional innovations. More thinking about possible technological, financing, and business model innovations would be desirable, from which each country and the IP as a whole could benefit.	Amendments have been made to strengthen descriptions of innovative technology including work on consideration of how land use planning and zoning will be developed (Outcome 1) traceability systems are applied (Outcome 4) and the development of an environmental monitoring and deforestation alert system will be operationalized (Outcome 5)	**Outcomes 1, 4 and 5**
Gender equality and women?s empowerment. Gender sensitive indicators are missing ? but dimensions above indicate a suitable framework. Consider applying indicators and measurement protocols of Women?s Empowerment in Agriculture Index (WEAI).	A significant number of gender linked indicators have been established including monitoring of engagement and impact by gender.	**See results framework**
Risks. While generic policy and governance risks are noted, there is inadequate explicit attention to political and economic interests that could (and are likely to) oppose desired changes.	The risk framework has been updated and has broadened its scope further information on impacts of COVID and climate change have also been added.	**See Section 4.3 Table 11**
Risks: sensitivity to climate change. No climate impact assessment is presented; only the possibility of climate change impacts on productivity and resilience is alluded to. Since impacts will be region and location-specific, climate impact assessment and response strategies will need to be developed in the country projects.	A climate change impact assessment has now been added ? see Annex 20 and text on p11	Annex 20 and text on p11
Comments from GEF SEC at PIF/WP inclusion (18 Aug 2019)		
During the project preparation more substantive information is expected on the link to the global project (Component 4) - how will it occur, who are the stakeholders involved, what are their roles, expected results	Text on links with global programme have been modified and highlighted in a number of areas with particular reference made under output 7.1 as well as within work on agricultural supply chains under Outcome 4. A number of other areas of coordination have also been identified in each discussion.	**See Output 7.1**

Additional details on innovative technology that will be applied to achieve the project goals should also be considered at the PPG stage.	Amendments have been made to strengthen descriptions of innovative technology including work on consideration of how land use planning and zoning will be developed (Outcome 1) traceability systems are applied (Outcome 4) and the development of an environmental monitoring and deforestation alert system will be operationalized (Outcome 5)	**Outcomes 1, 4 and 5**
Gender (in terms of the overall context, the connection to training, access to land and finance, influence at the policy level etc) and engagement of key stakeholders such as civil society (NGOs, private sector associations, farmers cooperatives) etc need to be more adequately considered in the project.	See notes above on Gender.	
For a total target area of over 2 million ha the expected GEBs are relatively low. Please ensure the expected targets are aligned to the relevant Outcomes during the PPG stage.	The GEBs have been recalculated based on improved information and use of tools such as the EX-ACT emission calculations ? the project now delivers 50,000ha of land restored, over 2.7m ha improved management and over 32m tCO2e in emissions reductions.	Please refer to Core Indicator table and the indicator description. See table 2 of Project document for summary of these indicators.
During the PPG please indicate how the project will help to meet PNG?s LDN targets if finalized.	The project notes that actions are in line with PNG?s LDN targets (Section 2.5) and also lays out key actions to help address this most notably actions under Outcome 5 which include assessments of existing levels of land degradation within the target landscapes and development of action plans to address it and inclusion of considerations of land degradation within development of approaches to land use zoning as part of an integrated land use and development planning process (Outcome 1)	

Annex B2: Response to GEF SEC?s upstream review feedback

Feedback	Response
Table B/Approach	
The project objective does reflect the need to achieve GEBs, but it does not reflect the full nature of the FOLUR program design in terms of the focus on food systems.	Amendment made: Objective revised to increase clarity on GEBs *To reduce rates of agricultural driven deforestation and biodiversity loss and to establish a sustainable system of land-use planning to guide future land development activities, sustainable and resilient commodity/crop production and farming systems across Papua New Guinea.*
Component 1- We welcome the work at the national and the provincial level. We encourage the project proponents to ensure that provincial level stakeholders/local government are fully consulted on the design of the project.	Noted ? there has been full engagement with the Provincial government through one on one meetings as well as stakeholder workshops. This engagement will continue through UNDP CO in preparation for the project.
Output 1.1- Policy incoherence has been identified as a barrier, how is the project addressing this?	Amendment made under Output 1.1 and Table 3 of Prodoc, noting the GEF incremental reasoning to ensure that action on policy incoherence is better articulated. The Output will help to address policy incoherence through the establishment of a technical working committee that will focus on how integrated land use planning will be done and how this should be linked with sector policy approaches. Development of an effective framework for land use planning including incentives for sustainable use will also help to guide changes in policy approaches of different sectors.
Output 1.3 refers to HCV/HCS forests. Are these already designated by legislative order?	Amendment made under Output 1.3 and Table 3. There is currently no specific legislation linked to the protection of HCV/HCS forests and the proposed areas will not be in areas with current legislative protection.

The green/environment aspects of Outcomes 2 & 3 are missing. The project as presented doesn?t clearly show actual investments at field level which will generate GEBs. Outcome 2 as presented is heavily focused on agriculture development. We do however note reference to potential interventions Sub-section 6 on GEBs, but they are not strongly reflected in Table B, the project description, Table 2 on project Contributions Towards FOLUR Programme Results or the Project Results Framework.	Amendments made to way these Outcomes are presented to increase focus on sustainability and impacts on deforestation free commodity production. The project theory of change is based on the need for existing agricultural practices to become more productive, as existing productivity per ha is low, while enhancing/maintaining sustainable practices to be able to meet both local livelihood needs and desires for increase income and development in rural areas without a rapid transitions to increased agricultural concessions. This is linked with the other components which focus more on the frameworks to help manage and restrict expansion. As such while it does not deliver directly on significant levels of GEBs it is critical to the achievement of results noted within other components. Please also note the response re Core Indicator 4.3.
Component 2 as indicated covers the *Promotion of sustainable food production practices and responsible value chains* however it is not evident which Outcome/Output is covering the actual field based actions (SLM or ILM practices in the productive landscapes) that would promote sustainable production/reduce deforestation and externalities. These Outputs seem to have been removed since concept stage. This is would be necessary as integrated landscape management as an entry point to delivering GEBs is the basis for the program. Additionally, there is no indication of the targeted GEBs such as hectares of land under improved management, ha. of agr. land restored etc in Table B.	Amendments made in wordings of outcomes and outputs under Component 2 to help clarify where field-based activities will be under in particular Outcome 3 which will focus on the development, trialing early roll out of enhanced, sustainability focused support. This work will occur in parallel with work on community-based land use planning under Component 1 as well as work on restoration plans and identification of priority areas of set aside under Component 3. It is the integration of these approaches that will be central to the delivery of the GEBs. Please also note the response re Core Indicator 4.3.
Outcome 2 has been allocated $3M+ which seems to be a relatively high portion of funds without any GEBs associated.	Noted an amendment has been made to the budget to reallocate finance more in a more representative way across outcomes ? e.g. the costs of agricultural specialists who will work on all Outcomes under component 2 the budget for which was previously all held within Output 2.1. The budget for systems leadership has also been moved to Component 4 Outcome 7 as it was felt that this would also be more appropriate as trainees are liable to come from across sectors and not purely be focused on agricultural commodities, but cover broader range of sustainable land management ? hence their inclusion under Output 7.1. which is more focused on links with the global FOLUR platform.

The focus of Output 2.1 is on the platforms. A link between the development of the platforms and the key aspect of the program, which is delivery of GEBs needs to be demonstrated more clearly. How are the platforms going to ensure support for reduced or no deforestation and other negative externalities? Although the platforms are separate, they should demonstrate a common ground between them which would be that they are supporting sustainable and integrated land management in the productive landscapes of their commodities. Also, where will the platforms be anchored to ensure continuity after the project ends?	Amendment made ? amendments made to para 135 and Table 4 of Pro-doc and corresponding points in the CEO endorsement. The platforms are seen as the central hub for all work under Component 2 and as such provide a forum within which all work on policy and regulatory change, improvements in sustainably focused extension systems or enhanced market access are discussed and revised. Through the creation of this multi-stakeholder forum within which technical elements of the project can be reviewed provides the opportunity for developing enhanced coherence in policy approaches to addressing the environmental impacts of agricultural expansion and intensification. Without such shared visions reforms are unlikely to have the traction needed to be fully implemented.
Outcome 3 should more explicitly indicate the capacity support/training on sustainable land management practices, for farmers and extension service personnel. As written, elements of this Outcome are largely targeted towards agricultural development in general, more so than ensuring sustainable productive landscapes and maintaining the ecosystem services they depend on.	Amendment made to note the focus of improved extension systems is to enhance the sustainability focus of them including improved land management.
We welcome the focus on other aspects of the value chain such as market access/buyer engagement to encourage sustainable sourcing and traceability. However, are there any considerations for sustainable finance/working with financial institutions on integrating sustainability policies into their operations? We also note that access to finance by small farmers and commercial producers has been listed as a challenge.	Amendments made to Output 4.3 to better develop action on finance.
It will be important to clearly link Outcomes 5 & 6 to Component 3 and how the restoration initiatives will support the productive landscapes overall. Are the target groups the same? What is the connection? A map showing the targeted restoration and productive areas would be useful. Please also include the relevant BD related targets where applicable.	Amendments made to introductions and text on Outcomes 5 and 6. Actions across all components will focus within the same landscapes with many of the same stakeholders engaged and the project working to identify synergies that will help to increase impact of interventions. As mapping of target farmers has however not yet taken place it is note possible to provide a clear spatial picture of how this approach will be implemented. Please also refer to Core indicator sheet, which notes how actions under different components are linked in calculations of targets.
Financing- Please double check the Sub-total for Table B. Our calculations come out to 10,174,139.	Rechecked: $10,709,174

Please consider how green recovery can be factored in the project based on any COVID impacts.	Amendments made ? Green recovery concept considered within COVID19 impact and opportunity annex with options to support recovery and links with recovery also covered in ? see para7, and 72 for most significant notes on this.
Core Indicators/GEBs	
Core Indicator table not fully complete. See point 8 below.	Response: see response to point 8 below

The numbers of Core Indicators 3, 4 & 6 have increased which we welcome. However, the numbers for Core Indicator 4 & 6 have increased quite significantly. At CEO endorsement please provide thorough justification and consider the area of influence within the scope of the project. Additionally, for Indicator 6, please attach the Ex-Act tool.	Amendments made to CEO ER ? p12 to support the revisions in indicator numbers. A detailed justification is also provided in Annex 14. Core Indicator 3 - the target at concept note development was estimated in the form of 7,000 ha restoration based on direct support to farmers and tree planting, and indirect 20,000 ha based on uptake actions by neighbouring farmers and communities. During the PPG, the target for restoration was re-estimated, based on more updated data gathered in the field, resulting in a significant increase in area due to the inclusion of natural regeneration of degraded areas set aside within production areas. Core Indicator 4 ? The target has significantly increased due to the inclusion of areas that will be impacted by enhanced land use planning and management frameworks and policy decisions that will be established at the provincial level, with these impacts occurring across the entire provincial area. It should also be noted that as these areas include areas in which interventions will focus on supporting good agricultural practices (Sub-Indicator 4.3) and as such a separate figure for these areas has not been included within the results framework to avoid double counting of these areas. It should also be noted that as target farmers have not been fully identified nor farms mapped, and that there is limited information on the area of these farms developing specific spatial indicators for project impact in this area will be challenging. Instead the project has focused on the number of farmers that will be adoption GAPs (see indicator 10 in RF) Core Indicator 6 - The current GHG emission reduction target has significantly improved as compared with the original calculation in the concept note, which did not utilize the newest version of the FAO Ex-Act tool when computing the carbon balance target. Moreover, the old calculation did not take into account the carbon reduction from restoration efforts as well as the improved management due to SLM plans adoption. Re: Ex-Act tool, noted. The detail calculations (excel spreadsheets) has been include (Annex 22a & 22b)

Given the focus of the project we also expect that Sub-Indicator 4.3 would have an allocated target. Please consider.	Noted ? However - Sub-Core Indicator 4.1 actually already takes into account the areas where Good Agriculture Practices are being implemented. Therefore, Sub-Core Indicator 4.3 is not included to avoid double counting: The reasons are as follows: - GAP training aims to increase productivity, with an ultimate objective is to reduce deforestation rate and forest degradation. As explained in Annex 15, the SLM plans (Sub-Core Indicator 4.1) advocated for adoption will lead to reduced deforestation rate through designation of ?limited cultivation areas? (i.e. through strategies such GAP) and ?priority conservation areas? to protect key ecosystems in particular HCVF, leading to the avoided HCVF loss (Sub-Core Indicator 4.3). - Although the number of target farmers who will receive the GAP training has been set, the area of their plantations cannot be determined at this stage because farmers mapping has not been done. Due to this data unavailability, we are afraid that we will over-estimate the contribution (ha of areas where GAP will be implemented). That is why we ?count? this area under Sub-Core Indicator 4.1.
The CO2 emissions figure has increased significantly since the concept stage. Note for the direct emissions avoided, this should only consider direct interventions and not indirect. Please include the FAO Ex-Act tool when making the final CEO ER submission.	No action taken ? clarification on increase provided in Summary on p12 of CEO endorsement request as well as in Annex 14. This figure is only direct interventions and details of calculations are provided in the Ex-act Tool attached to the submission.
The list of beneficiaries indicates persons that are largely engaged in the project for training, with one point (#6) indicating individuals engaged in restoration. Please indicate the number of small farmers that are expected to benefit in terms of increased productivity or earnings due to the interventions of the project.	Please see Annex 14 Core Indicators for breakdown of who will benefit through increased earnings: ?The number of household members who benefit directly from individuals targeted for the training through increased incomes - *41,417 individuals (19,912 females, 21,505 males)?*
Justification/Context	
General impacts of COVID are missing here	Text amended with information on impacts of COVID added to section and are also included within Annex 19 on COVID impacts and opportunities.
Not seeing any information on climate change impacts or potential scenarios/variability.	Amendment made ? additional text added to para 13 and 14 of Pro-doc and Section 2 Subsection 1 p13 and p26 of CEO ER a full screening has also been undertaken in Annex 20.

Existing role of the private sector and other actors along the coffee and palm oil value chains are `not mentioned in the context. Please include more information on this aspect including the challenges with these actors and how it relates to the food system in general at both the national and local level.	Amendment made to increase information on this please see Section 2 subsection 1, Context (p15) of CEO ER and paras 18-25 of Pro-doc.
The context states *The New Britain provinces alone export about for than 50% of the total production ? 1,591,603 Mt/year of fresh fruit bunches (estimated to 352,604 Mt of palm oil) ? 96.15% of which is RSPO certified (data from 2019[1][1]) with almost all certified production coming from West New Britain* . Please also indicate what portion of this is produced by small holders vs commercial farmers?	Amendment made to Section 2 subsection 1, Context (p15) of CEO ER as well as para 19 of Pro-doc please also see Annex 12.e.
Scale Up	
The argument for potential for scale- up at the national level needs to strengthened.	Amendments made to scaling up section ? Part 2 sub-section 7 para4 (p73) CEO ER and para 308 of ProDoc
Risk Table	
A climate risk screening and potential mitigation measures will need to be submitted with the CEO Endorsement. Climate change should also be considered in the risk table.	Amendments made. These are now included as additional Annex 20 to the CEO and ProDoc.
Coordination	
Please consider how this project can coordinate with the two PNG projects (BD; MFA-BD/LD) approved in the June WP. Although different areas, there may opportunities for scale up in collaboration with these projects.	Amendments made ? the opportunity to identify synergies with these projects is noted within both documents including in Part 2, Sub-section 6, Coordination with other development programmes, p92.
Map	

Please include maps showing the current project sites and areas of production.	Amendment made to text to clarify that while target areas have been identified the exact locations of interventions and how these will interact are yet to be finalized as: While target geographies and farmers groups have been identified there is no information on the exact land areas that are being farmed and as such developing specific maps of these is beyond the PPG phase. Similarly while information is provided on areas in which degradation has occurred, identification or specific areas for restoration will require more detailed mapping. As such no specific maps are available to cover all project elements. Despite this the project is confident that there communities engaged will work across multiple components due to the often significant geographical scale that communities are responsible for.

Annex B3: Amendments to project structures and basis for these

Project Outcomes Concept Note	**Project Outputs Concept Note**	**Project Outcomes Project Document**	**Project Outputs Project Document**	**Basis for change**
Component 1. Development of integrated landscape management (IML) systems				
Outcome 1a: National Sustainable Landuse Planning Policy Framework that supports effective management of development activities formulated and mainstreamed into integrated development planning process.	Output 1.1 National Sustainable Land-use planning policy completed Output 1.2 Regulations for sustainable land use planning as part of integrated development planning developed, including standards and methods for interagency coordination in planning activities Output 1.3 Integrated landuse and development effectively monitored and enforced	**Outcome 1:** National Sustainable Land Use Planning Policy Framework, supporting effective management of development activities, formulated, <u>legalized</u> and mainstreamed into the development planning process for two provinces, four districts and four LLGs across New Britain	**Output 1.1**. National Sustainable Land-use planning policy, guidance and regulations endorsed, implemented and sustainably financed **Output 1.2**. Sustainable land use planning information and coordination systems and tools established at national and subnational level and in target provinces **Output 1.3**. Provincial-level sustainable landscape management (SLM) plans developed, consulted on and integrated into development planning across two provinces, four districts and four LLGs across New Britain.	Outputs have been integrated to bring together work on policy and regulations under Output 1.1. linked to GoPNG commitment to move policy forward during 2020, with monitoring component (previous 1.3) revised to focus on establishment of systems that will allow for both monitoring and improved planning with further focus on monitoring systems for land use change within Component 3.

Outcome 1b: Integrated sustainable development and land use plans developed and adopted for two provinces and three districts	Output 1.4 Land use mapping and threat assessments conducted for target provinces and districts Output 1.5 Participatory strategic zoning undertaken for target provinces and districts Output 1.6 Participatory development of integrated land use and development plans and financing approaches Output 1.7 Review of provincial policies and guidelines with regard to revised integrated sustainable development plans	Integrated into Outcome 1	Integrated into Outcome 1, Output 1.3.	Outcome integrated into Output 1.3. of above to help consolidate outcomes as well as to strengthen clarity of linkages between development of national systems and their testing and strengthening at sub-national level. Number of districts increased based on consultations with stakeholders and to facilitate coverage of key landscapes and areas of high risk of conversion.
Component 2. Promotion of sustainable food production practices and responsible value chains to reduce land stress and avert degradation and deforestation				

Outcome 2a: Cooperation and coordination within Cocoa and Palm Oil sectors strengthened for improved productivity and investment	Output 2.1 Operation of PNG Palm oil platform strengthened including development of key tools and information sources Output 2.2 Development of policy and guidance on sustainable palm oil development Output 2.3 Establishment of PNG Cocoa Platform Output 2.4 Development of a sustainable cocoa development policy Output 2.5 Operation of provincial level platforms on cocoa and coffee Output 2.6. Development of provincial policies on sustainable commercial agricultural development	**Outcome 2:** Strengthened cooperation and coordination within Cocoa and Palm Oil sectors for enhanced sustainability productivity and investment and reduced land clearance.	**Output 2.1**. National level Palm Oil and Cocoa Platforms fully operational and linked with subnational coordination systems **Output 2.2.** Scenario analysis of cocoa and oil palm development in PNG **Output 2.3** One national policy and guidance and two subnational action plans on sustainable palm oil development, and one national policy and two subnational action plans on sustainable cocoa formulated and adopted	Outputs consolidated to streamline project design and to strengthen coordination of implementation across commodities with areas where common assessment and dialogue work can be conducted as well as helping to ensure links between national level actions and sub-national actions.

Outcome 2b: Support to small-holders strengthened through improved access to technical support, finance and access to markets	Output 2.7 Rehabilitation of small-holder palm oil areas Output 2.8 Strengthened provision of extension services to small scale palm oil producers through expansion of privatized extension service provision Output 2.9 Rehabilitation of cocoa areas and adoption of improved farm management techniques Output 2.10 Provision of support to producers within Community Conservation Areas (CCA) to improve landuse and agricultural planning and marketing of conservation compatible agricultural products.	**Outcome 3:** Strengthened Smallholders Support Systems that promote sustainable agricultural practices through enhanced access to technical support, finance, and markets	**Output 3.1** Establishment of enhanced sustainability focused extension systems for small scale palm oil and cocoa producers including through expansion of privatized extension service provision **Output 3.2.** Enhanced materials to support provision of integrated extension services to smallholders in the oil palm and cocoa sectors including hybrid livelihoods and business planning developed and piloted	Outputs consolidated to focus on enhanced extension systems, these outputs will also be undertaken in partnership with private sector groups and other development projects most notably the WB?s PACD project that will lead actions on rehabilitation of crops, hence these elements are not directly covered within the current project?s Outputs.

Outcome 2c: Strengthened value chains for sustainable agricultural production	Output 2.11 Support to improved access to high value markets through development of business capacity, networking and coordination across small-holders. Output 2.12 Support to development of improved traceability and payment process for cocoa in partnership with key private sector institutions Output 2.13 Review and revise fiscal, financial, trade policies (e.g., subsidies) to incentivize certified production Output 2.14 Strengthened engagement with commodity buyers and partnership development Output 2.15 Facilitation of national, regional and global corporate engagements on strategic issues beyond supply chains	**Outcome 4:** Strengthened value chains to enable sustainable agricultural production	**Output 4.1** Improved access to high value markets through development of business capacity, networking and coordination across smallholders **Output 4.2.** Support to development of improved traceability and payment process for cocoa in partnership with key private sector institutions **Output 4.3.** Establishment of international buyer groups for PNG cocoa and palm oil	Outputs have been reduced based on Output 2.13 being integrated into work within Outcome 2 and the actions of the Cocoa and Palm Oil Platforms. Outputs 2.14. and 2.15 have also been consolidated into Output 4.3.
Component 3. Conservation and restoration of natural habitats				

Outcome 3a: Strengthened governance structures and institutional capacity for integrated action on conservation and restoration of natural habitats	Output 3.1 Increase capacity of provincial officers on assessment of priority environmental and conservation areas as well as areas of vulnerability and risk due to degradation. Output 3.2 Enhance the capacity and mandate of provincial environment officers through development of effective process for designation of authority from CEPA to provincial officers Output 3.3 Increased capacity of community groups to effectively manage CCA?s through establishment of management committees and support to their capacity building	**Outcome 5:** Strengthened governance structures and institutional capacity for integrated action on conservation and restoration of natural habitats	**Output 5.1**. Enhanced capacity of provincial officers to take action with regard to environmental issues, including enforcement of environmental legislation, and undertaking of restoration and conservation actions **Output 5.2.** Establishment of Integrated Environmental Monitoring and Reporting System including remote deforestation monitoring and field verification reporting application **Output 5.3.** Strengthened action on restoration of degraded areas to prevent environmental risks	Outputs amended to enhance focus on building capacity of provincial officers to not only assess areas but also support environmental monitoring and enforcement through both capacity building Output 5.1 and development of systems to facilitate implementation 5.3. Elements of Output 3.3. have also been moved to Outcome 6 where it is more closely linked.

Outcome 3b: Effectively planned and managed CCAs in the target provinces	Output 3.4 Detailed management and land planning of CCAs in target districts Output 3.5 Development of CCA management and financing plans including testing of innovative approaches that bring together approaches including PES, environmental offsetting, and PPP for environmental service provision and tourism promotion.	**Outcome 6:** Enhanced uptake and effective planning and management of buffer zones, set aside and restoration actions the target provinces	**Output 6.1.** Increased capacity of community groups to effectively manage community-based conservation restoration, set aside, buffer and conservation areas through capacity building of community groups, strengthening coordination networks and development of sustainable finance plans **Output 6.2.** Detail management and restoration plans for set aside and buffer areas formulated, implemented and monitored	Outcome and Outputs amended to more closely focus on areas within production landscapes and ensure enhanced planning by communities within high risk areas.
Outcome 3c: Improved land use practices and restoration activities adopted.	Output 3.6 Identification of target areas for rehabilitation and conservation through assessment of the levels of degradation, resulting environmental risk and opportunities for conservation and rehabilitation of key habitat and HCV areas. Output 3.7 Development of small-scale woodlot support system through small scale service providers at district level with inclusion of support to forest rehabilitation Output 3.8 Enhanced conservation of HCV areas within production landscapes			Restoration elements moved into both Outcome 5 and 6 will mapping of areas of degraded land and investment in reforestation included within Outcome 5.

Component 4. Project Coordination and M&E				
Outcome 4 Integrated knowledge management, coordination and collaboration to enhance knowledge of factors to foster lessons learns for replication in other areas	Output 4.1 Implementation is monitored and evaluated to assess causal impacts Output 4.2 Lessons learnt captured and disseminated globally, nationally and across jurisdictions Output 4.3 A knowledge exchange platform created with conferences, knowledge products and national and international learning exchanges through participation in the FOLUR community of practice of the global Platform.	**Outcome 7:** Integrated knowledge management, coordination and collaboration to enhance knowledge of factors to foster lessons learns for replication in other areas.	**Output 7.1:** Establishment of a FOLUR community of practice and leadership group with capacity to share knowledge and skills domestically and internationally **Output 7.2.** Project implementation coordinated through proactive steering committee functions and inclusive monitoring and evaluation **Output 7.3:** Inclusive participation of local communities, including women and indigenous peoples, facilitated through effective implementation of environmental and social management plan **Output 7.4** Implementation is monitored and evaluated to assess causal impacts and systemic change **Output 7.5** Lessons learnt captured, and knowledge products generated and disseminated globally, regionally, nationally and across target provinces and landscapes	Outputs amended to enhance linkages with global programme as well as other regional countries and to ensure effective M&E and knowledge management systems in place.

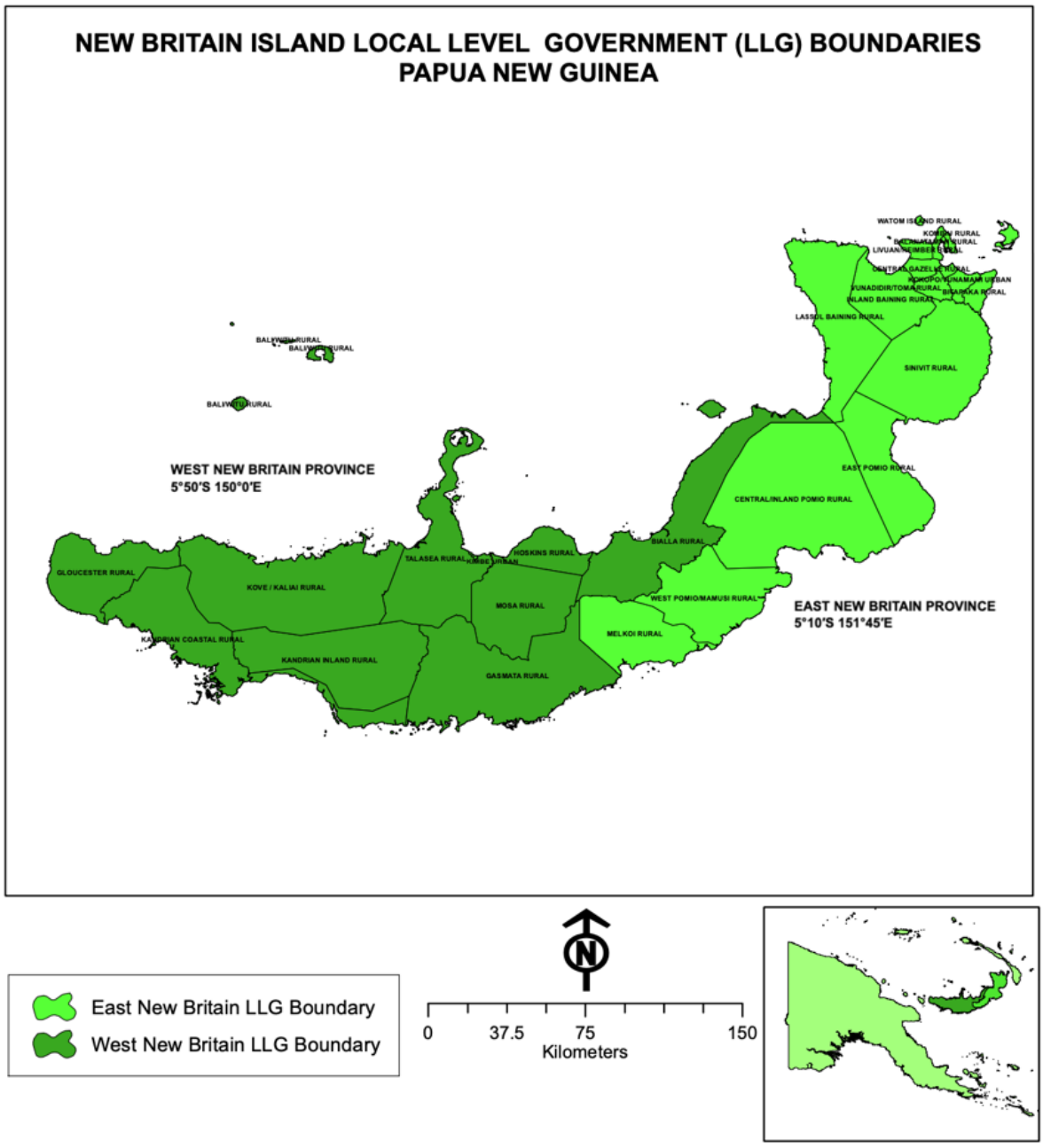
[1][1] Ibid

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF:			
Project Preparation Activities Implemented	***GETF/LDCF/SCCF Amount ($)***		
	Budgeted Amount	***Amount Spent Todate***	***Amount Committed***
Component A: Preparatory Technical Studies & Reviews	110,000.00	88,320.10	21,679.90
Component B: Formulation of the UNDP-GEF Project Document, CEO Endorsement Request, and Mandatory and Project Specific Annexes	100,000.00	80,291.00	19,709.00
Component C: Validation Workshop and Report	90,000.00	72,261.90	17,738.10
Total	300,000.00	240,873.00	59,127.00

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.



ANNEX E: Project Budget Table

Please attach a project budget table.

Annex 22. GEF Budget Template

Expenditure Category	Detailed Description	Component (USDeq.)										Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*			*Component 3*		*Component 4*	*Sub.Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-components 1	*Sub-component 2*	*Sub-component 3*	*Sub-component 4*	*Sub-component 5*	*Sub-component 6*	*Sub-component 7*					
Equipment	Information Technology Equipment (72800) – Total Value for Outcome 1 - $110,000 Under Component 1 equipment will be purchased for the development of the national land use planning information and coordination system (Output 1.2.) this will include purchase of computers, improved network capacity, GPS systems, printers and other elements. Estimate based on equipment needed – goods: $110,000	110,000							110,000			110,000	UNDP
Equipment	Information Technology Equipment (72800) – Total Value for Outcome 2 - $10,300 Under component 2 equipment will be purchased for: Establishment of the agricultural platforms support office (Output 2.1.) – Budget $10,300		10,300						10,300			10,300	UNDP
Equipment	Information Technology Equipment (72800) – Total Value for Outcome 4 - $72,000 Equipment to support strengthening of traceability systems (Output 4.2) – 9 units of $8,000 - Budget $72,000				72,000				72,000			72,000	UNDP
Equipment	Equipment and Furniture (72200) – Total Value for Outcome 5 - $80,000 A. Budget for equipment for woodlot and nursery development – Output 5.3 – 4 units at $5,000 and 4 units at $15,000 – Budget: $80,000					80,000			80,000			80,000	CEPA
Equipment	Information Technology Equipment (72800) – Total Value for Outcome 5 - $107,000 Under Output 5.1 – Budget $25,000 Computers, GPS and other materials Under Output 5.2 – Budget $82,000 Equipment for the monitoring system $48,000 Equipment for the drone system $34,000					107,000			107,000			107,000	CEPA
Equipment	Information Technology Equipment (72800) – Total Value for Outcome 7 - $2,320 Equipment for site validations and monitoring (Output 7.2) $1,600 Output 7.5 – $720 Google Drive subscription for information management for project duration – 6 years at $120 per year – total $720 "M&E Sub-total – $1,600 Garmin GPS units for quarterly/annual/MTR/TR site validation (restoration, farmers, etc) – 4 units at $400 each – total $1,600"							720	720			720	CEPA
Equipment	Information Technology Equipment (72800) – Total Value for Outcome 7 - $2,320 Equipment for site validations and monitoring (Output 7.2) $1,600 Output 7.5 – $720 Google Drive subscription for information management for project duration – 6 years at $120 per year – total $720 "M&E Sub-total – $1,600 Garmin GPS units for quarterly/annual/MTR/TR site validation (restoration, farmers, etc) – 4 units at $400 each – total $1,600"								-	1,600		1,600	UNDP
Equipment	Equipment and Furniture (72200) – Total - $6,000 Office equipment – 2 offices at $3,000 each – total $6,000								-		6,000	6,000	UNDP
Equipment	Communication & AV Equipment (72400) – Total $18,997 Phone, Internet connection and email services for PMU								-		18,997	18,997	UNDP
Equipment	Information Technology Equipment (72800) – Total - $8,000 IT equipment (laptops and printers) for Project Management Unit								-		8,000	8,000	UNDP
Sub-contract to executing partner	Services to projects - GOE for CO (74596) – Total - $222,443 Administrative and operation supports for 6 years. Details are provided in LoA for UNDP support services								-		222,443	222,443	UNDP
Contractual services-Individual	Contractual services – Individual (71400) – Total - $134,136 A. National Technical and Safeguards Officer (NTSO) - total - $223,560 (6 years at $37,260) with 60% allocated to Outcome 7 = $134,136							134,136	134,136			134,136	CEPA
Contractual services-Individual	Contractual services – Individual (71400) – Total - $242,208 National Technical and Safeguards Officer (NTSO) - total $223,560 (6 years at $37,260) with 40% allocated to PMU =$89,424 Admin and Finance Associate - 6 years at $25,464 – total - $152,784								-		242,208	242,208	UNDP
Contractual services-Company	Contractual services – Companies (72100) – Total Value for Outcome 1 - $790,262 Under Component 1, a number of contractual services that will be procured to support project delivery these are shown below with links to their outputs: A. Support endorsement, implementation and sustainable financing of National Sustainable Land-use planning policy (Output 1.1). – Budget $54,000 lump sum contract based on 60 days work at $600 per day: $36,000 and consultant travel (6 visits at $3,000): $18,000 to undertake: Support to the development of guidelines and regulations for implementation of the NSLUP. Review the existing legislations to identify how to coordinate sector-based approaches to land use planning and how to integrate with subnational planning process and how these can be financed Review the existing land use planning approaches through government / NGOs / PS / Communities and challenges/ opportunities to foster integration within government's recognized land use planning processes including identification of key zoning categories and their implications Develop guidance and regulations for ward, LLG, district, provincial and sustainable land use planning and its financing B. Support to establishment of a national land use planning information and coordination system (Output 1.2) Budget: $103,500 – lump sum contract based on 80 days work for IC at $600 per day: $48,000 and 85 days work for a LC at $300 $25,500, as well as consultant travel at $30,000. Actions will also be supported by the PMU and the National and Subnational Land use Planning experts. This contract will undertake: Convene series of consultations on the design, including user-needs assessment, and development of information hub Support the establishment of a cross sector NSLUP technical working group focused on hub development Support the technical development of hub including purchase of equipment, and development of SOP for the hub Provide capacity training for the key government officers on the SOP of the hub Develop communication materials and convene events on awareness raising on hub Identify sustainability strategies for the hub's operations including financing C. Support the review of two provincial, four district and four ILG development plans to consider SLM including participatory development of land use zoning maps for these jurisdictions and their integration with development plans (Output 1.3) Budget: $632,762 - Lump sum contract based on 390 days' work for IC at $600 per day: $234,000, 700 days' work for LC at $300 per day: $210,000 (with support from subnational	790,262							790,262			790,262	UNDP

Contractual services-Company	Contractual services – Companies (72100) – Total Value for Outcome 2 - $851,182 Under Component 2, a number of contractual services that will be procured to support project delivery these are shown below with links to their outputs: Backstopping support to National level Palm Oil and Cocoa Platforms (Output 2.1) – support (over full project timeline) to the development and functioning of the Cocoa and Palm oil platforms untilly they are fully operational and linked with subnational coordination systems – based on 250 days technical support at $600, and $80,000 for travel - Budget $230,000 In addition to this a number of other assignments are also planned. Development of Targeted Scenario Analysis for Cocoa and Oil Palm Sectors (Output 2.2) Budget – $311,182 Lump sum to include consultant time and travel – costs of consultations budgeted separately to undertaken: Assessment of existing information on the costs and benefits of different oil palm and cocoa models in PNG and identification of potential international proxy data Through a consultative process develop a set of potential scenarios including BAU, High Sustainability and No regrets Development of TSA for potential scenarios for two commodities at national scale including in-depth information on case study provinces Consultation on potential scenarios and costings and examination of key policy, regulatory and operational levers Through a multi-stakeholder process work to identify a shared view of a future development pathway Support to the development of revised oil palm and cocoa policy and guidance at national and subnational level including assessment of financial incentive systems (Output 2.3) Budget $310,000 Lump sum to include consultant time and travel – costs of consultations budgeted separately to undertake: Review the existing policies/regulations and legal framework for oil palm including OPIC act, and small holder pricing formula, (work in this area will also be closely linked with actions under 5.3) Review the existing policies/regulations and legal framework for cocoa Review of existing financial incentives for rural agricultural development activities to support increased incentives for sustainable practices Utilizing the palm oil and cocoa platforms, facilitate the development of sustainable action plans for palm oil and cocoa Facilitate the development of guiding policy for sustainable oil palm and cocoa		851,182						851,182			851,182	UNDP
Contractual services-Company	Contractual services – Companies (72100) – Total Value for Outcome 3 - $500,062 Under Component 2, a number of contractual services that will be procured to support project delivery these are shown below with links to their outputs: Output 3.1. Backstopping support to diagnostic study of extension services in PNG – Budget $12,000 Based on 20 days at $600 with support expected to be linked with that contracted for platform support under budget note 8a, Output 2.1. Outcome 2. Output 3.2 - Improving extension education methodology bg new materials development, training of trainers, outreach, and testing. Development of enhanced materials to support provision of integrated extension services to smallholders in the oil palm and cocoa sectors including hybrid livelihoods and business planning developed and piloted Budget $488,062– Lump sum contract based on inputs per commodity - $244,031 for 2 commodities (palm oil and cocoa) Review of existing extension materials and international best practice (linked with assessment work under Output 3.1) for cocoa and palm oil respectively Develop cocoa extension materials Develop palm oil extension materials Testing of materials Consolidate materials into a guiding standard – and revision of standard at end of project Provide Training of trainers		500,062						500,062			500,062	UNDP

Contractual services-Company	Contractual services – Companies (72100) – Total Value for Outcome 4 - $593,182 Under Component 2, a number of contractual services that will be procured to support project delivery these are shown below with links to their outputs: Support to development of business capacity amongst small holders (Output 4.1.) Budget $251,000 - Lump sum contract to develop business skills support training modules for smallholders including financial literacy and small-business management including based on 200 days IC at $600, 320 days national at consultant at $300 and treavel of $35,000 – costs of workshops and participant travel under 14c and 15c. Developing and improving traceability systems and payment processes for cocoa in partnership with key private sector institutions (Output 4.2.)Budget $183,182 Lump sum contract to review the existing traceability systems,work with Cocoa Board and private sector buyers in development and installation of updated traceability system, training materials and SOPs and implementation of trainings with cocoa board staff as well as smallholders. Based on 150 days IC at $600 and 210 days NC at $300 and $30,182 for travel. costs of workshops and participant travel under 14c and 15c. Support to Establishment of international buyers groups for PNG cocoa and palm oil Budget (Output 4.3) Budget. - $159,000 Lump sum contract based on support to develop an international buyers group(s) for target commodities, helping to increase on-going involvement and support of international buyers in the development of the sector, support representation of PNG palm oil and cocoa at international forums, engage with international sustainable palm oil and cocoa initiatives in key demand country markets, particularly in Europe. Based on 165 days for IC at $600, as well as $36,000 for events and $24,000 for travel.				593,182				593,182			593,182	UNDP
Contractual services-Company	Contractual services – Companies (72100) – Total Value for Outcome 5 - $574,816 Under Component 3 there are a number of proposed actions that will be implemented through use of contracted companies / NGOs or other groups. These include: Output 5.2 - Support to Establishment of Integrated Environmental Monitoring and Reporting System – including remote deforestation monitoring and field verification reporting app – total $76,000 Output 5.2 - Establishing a drone system – total $106,000 Output 5.2 - Establishing a remote deforesting system – total $119,657 Output 5.3 - Land degradation assessment – total $113,000 Output 5.3 - Development of training materials on woodlot development and management – total $27,000 Output 5.3 - Establishment of nurseries in target areas – total $38,359 Output 5.3 - Training to farmers on woodlot development and forest rehabilitation activities – total $46,800 Output 5.3 - Development of business model for small scale woodlot development and ongoing technical support – total $48,000					574,816			574,816			574,816	CEPA
Contractual services-Company	Contractual services – Companies (72100) – Total Value for Outcome 6 - $438,969 Output 6.1 – Development of sustainable financing strategies for conservation management - $195,969 Lump sum for consultant days and travel Output 6.2 Support to development of land use and restoration plans and use planning and management - $243,000 Lump sum for: Consultant travel, travel for consultant team, IC Backstopping of planning processes, IC Technical support to plan development, Int consultant to develop training, NC Backstopping of planning processes, NC Technical support to plan development						438,969		438,969			438,969	CEPA

Contractual services-Company	Contractual services – Companies (72100) – Total Value for Outcome 7 - $492,842 Output 7.1. Systems Leadership - $372,842 Six year programme of trainings and follow up support. Output 7.2 - ESIA / ESMP Development $39,000 International consultant for 55 days at $600 per day – total $33,000ESIA mission travel and DSA expenses – 2 travel missions at $3000 per trip – total $6,000 Output 7.5- Contractual services to capture lessons learnt and knowledge products generated and disseminated globally, regionally, nationally and across target provinces and landscapes - $81,000 KM consultancy (prepare strategy, develop KM products, facilitate events) – 85 days at $600 per day. – total $51,000 Travel for consultant team – 8 trips at $3000 each – total $24,000 Audiovisual and print production for various KM products 6 production runs at $1000 each - total $6,000							492,842	492,842			492,842	CEPA
International Consultants	International Consultants (71200) – Total Value for Outcome 1 - $125,525 This is based on partial cost of Chief Technical Advisor - Technical Advisor's costs are spread across all components and outcomes based on contribution to technical oversight of those elements ($313,812 per year x 4 years with 10% allocated to Outcome 1 = $125,524.8). The CTA will be the technical lead across the project and will have primary responsibility for guiding technical inputs and ensuring the coherence and integration of different project components, outcomes and outputs. CTA will bring significant international experience to the project and will help to guide inputs from international and national consultants and contracted companies as well as maintaining strong links with government and other development partners.	125,525							125,525			125,525	UNDP
International Consultants	International Consultants (71200) – Total Value for Outcome 2 - $326,364 This is based on partial cost of Chief Technical Advisor - Technical Advisor's costs are spread across all components and outcomes based on contribution to technical oversight of those elements ($313,812 per year x 4 years with 26% allocated to Outcome 2 = $326,364).		326,364						326,364			326,364	UNDP
International Consultants	International Consultants (71200) – Total Value for Outcome 3 - $255,944 IC to support to diagnostic study of extension services - focused on identifications for options for sustainable financing of systems (Output 3.1.) – 40 days at $600 and travel based on 2 trips at $3,000 - $30,000 Chief Technical Advisor - Technical Advisor's costs are spread across all components and outcomes based on contribution to technical oversight of thzose elements ($313,812 per year x 4 years with 18% allocated to Outcome 3 = $225,944).			255,944					255,944			255,944	UNDP
International Consultants	International Consultants (71200) – Total Value for Outcome 4 - $326,364 Chief Technical Advisor - Technical Advisor's costs are spread across all components and outcomes based on contribution to technical oversight of those elements ($313,812 per year x 4 years with 26% allocated to Outcome 4 = $326,364).				326,364				326,364			326,364	UNDP
International Consultants	International Consultants (71200) – Total Value for Outcome 5 - $129,315 Output 5.1 International consultants to develop capacities matrix, assess existing government capacities, develop a capacity training program, and rollout and follow up on that program – 60 days at $600 per day – $36,000 and associated travel for provincial capacity building - 6 trips at $3,000 - $18,000 total $54,000 Chief Technical Advisor - Technical Advisor's costs are spread across all components and outcomes based on contribution to technical oversight of those elements ($313,812 per year x 4 years with 6% allocated to Outcome 5 = $75,315).					129,315			129,315			129,315	CEPA
International Consultants	International Consultants (71200) – Total Value for Outcome 6 - $50,210 Chief Technical Advisor - Technical Advisor's costs are spread across all components and outcomes based on contribution to technical oversight of those elements ($313,812 per year x 4 years with 4% allocated to Outcome 6 = $50,210).						50,211		50,211			50,211	CEPA
International Consultants	International Consultants (71200) – Total Value for Outcome 7 - $275,524 *Total without M&E* *Under Component 4 there are a number of propcsed actions that will be implemented through use of International Consultants. These include:* *Indigenous People's Plan development (Output 7.3) – Total Budget $26,000* *30 days of consultation at $600 per day - $18,000 and 2 trips at $4,000 each to inform consultations $8,000* *ESMF development (Output 7.3) – Total Budget $24,000* *30 days of consultation at $600 per day - $18,000 and 2 trips at $3,000 each to inform consultations $6,000* *Development of Impact Evaluation framework (Output 7.4) - Total Budget $24,000* *30 days of consultation at $600 per day - $18,000 and 2 trips at $3,000 each to inform consultations $6,000* *Consultant will develop impact evaluation framework for project. Consultant will be engaged in Y1 and be supported by a National consultant who will conduct ongoing monitoring* *Chief Technical Advisor - Technical Advisor's costs are spread across all components and outcomes based on contribution to technical oversight of those elements ($313,812 per year x 4 years with 10% allocated to Outcome 7 = $125,524).* M&E Sub-total – $76,000 Mid-Term Evaluation (Output 7.2) – $36,000 Mid-term evaluation in line with project monitoring framework based on IC for 40days at $600 – total $24,000 and consultant travel of $12,000 Terminal Evaluation (Output 7.2) – $40,000 Terminal evaluation in line with project monitoring framework based on IC for 45days at $600 – total $27,000 and consultant travel of $13,000							199,524	199,524			199,524	CEPA

International Consultants	International Consultants (71200) – Total Value for Outcome 7 - $275,524 Total without M&E Under Component 4 there are a number of proposed actions that will be implemented through use of International Consultants. These include: Indigenous People's Plan development (Output 7.3) – Total Budget $26,000 30 days of consultation at $600 per day - $18,000 and 2 trips at $4,000 each to inform consultations $8,000 ESMP development (Output 7.3) – Total Budget $24,000 30 days of consultation at $600 per day - $18,000 and 2 trips at $3,000 each to inform consultations $6,000 Development of Impact Evaluation framework (Output 7.4) - Total Budget $24,000 30 days of consultation at $600 per day - $18,000 and 2 trips at $3,000 each to inform consultations $6,000 Consultant will develop impact evaluation framework for project. Consultant will be engaged in Y1 and be supported by a National consultant who will conduct ongoing monitoring Chief Technical Advisor - Technical Advisor's costs are spread across all components and outcomes based on contribution to technical oversight of those elements ($313,812 per year x 4 years with 10% allocated to Outcome 7 = $125,524). *M&E Sub-total - $76,000* *Mid-Term Evaluation (Output 7.2) – $36,000* *Mid-term evaluation in line with project monitoring framework based on IC for 40days at $600 – total $24,000 and consultant travel of $12,000* *Terminal Evaluation (Output 7.2) – $40,000* *Terminal evaluation in line with project monitoring framework based on IC for 45days at $600 – total $27,000 and consultant travel of $13,000*								-	76,000		76,000	UNDP
Local Consultants	Local Consultants (71300) – Total Value for Outcome 1 - $676,940 National Land use expert – $270,000 total project cost based on working 4.5. years at $60,000 per year (position will begin 6 months after project has started and finish a year before project end) 2 Subnational land use planning focal points – $334,240 total project cost recruited – one officer in each province ($33,424 per officer per year) will be based within the provincial government office and support coordination at provincial level on land use and development planning over 5 years (position will begin after project has started and finish before the last year of the project) A technical support team including a knowledge management specialist and stakeholder engagement specialist will work across all Outputs: Knowledge Management and M&E expert – to coordinate the implementation of KM outputs of the project, contribute to the design and maintenance of the project websites/webpage and ensure effective dissemination of lessons and information generated from the project to all stakeholders. - $29,590 x 6 years with 12.55% allocated to Outcome 1 = $22,192.5 Stakeholder engagement event convener and communications officer – to support coordination of action across landscapes and national level with a focus on ensuring coherent engagement with target stakeholders across project outcomes; facilitate and convene events. $33,672 per year x 6 years with 25% allocated to Outcome 1 = $50,508)	676,940							676,940			676,940	UNDP
Local Consultants	Local Consultants (71300) – Total Value for Outcome 2 - $512,542 Admin and logistics support (for commodity platforms) - $10,000 for 6 years - $60,000 Communications, media and info management (part time contracted support) - $10,000 per annum for 4 years $6,000 and $5,000 for last two years respectively - $51,000 National Agricultural Specialist - (to lead technical work and coordinate actions across Component 2) $37,260 per year for 4.5 years, allocated to Outcome 2.1. - $12,420 per annum for 4.5 years – total. $55,890 Platform Coordinator - $45,063 for 4.5 years - $202,783 Provincial Agricultural specialists – 2 specialists to lead technical work and coordinate actions across Component 2 at provincial level) $33,299 per year for 4.5 years, allocated to Outcome 2.1. - $11,100 per specialist for 4.5 years each – total - $99,897 Senior national consultants – to provide high level policy and advocacy support - $16,800 A technical support team including a knowledge management specialist and stakeholder engagement specialist will work across all Outputs: Knowledge Management and M&E expert –$29,590 x 6 years with 4.5% allocated to Outcome 2 = $7,989 Stakeholder engagement event convener and communications officers – $33,672 per year x 6 years with 9% allocated to Outcome 2 = $18,183)		512,542						512,542			512,542	UNDP
Local Consultants	Local Consultants (71300) – Total Value for Outcome 3 - $175,255 National Agricultural Specialist - (to lead technical work and coordinate actions across Component 2) $37,260 per year for 4.5 years, allocated to Outcome 2.1. - $12,420 per annum for 4.5 years – total. $55,890 Provincial Agricultural specialists – 2 specialist to lead technical work and coordinate actions across Component 2 at provincial level) $33,299 per year for 4.5 years, allocated to Outcome 2.1. - $11,100 per specialist for 4.5 years each – total - $99,897 A technical support team including a knowledge management specialist and stakeholder engagement specialist will work across all Outputs: Knowledge Management and M&E expert – $29,590 x 6 years with 3% allocated to Outcome 3 = $5,326 Stakeholder engagement event convener and communications officers – $33,672 per year x 6 years with 7% allocated to Outcome 3 = $14,142)			175,255					175,255			175,255	UNDP
Local Consultants	Local Consultants (71300) – Total Value for Outcome 4 -$182,847 National Agricultural Specialist - (to lead technical work and coordinate actions across Component 2) $37,260 per year for 4.5 years, allocated to Outcome 2.1. - $12,420 per annum for 4.5 years – total. $55,890 Provincial Agricultural specialists – 2 specialist to lead technical work and coordinate actions across Component 2 at provincial level) $33,299 per year for 4.5 years, allocated to Outcome 2.1. - $11,100 per specialist for 4.5 years each – total - $99,897 A technical support team including a knowledge management specialist and stakeholder engagement specialist will work across all Outputs: Knowledge Management and M&E expert – $29,590 x 6 years with 5% allocated to Outcome 4 = $8,877 Stakeholder engagement event convener and communications officers – $33,672 per year x 6 years with 9% allocated to Outcome 4 = $18,183)				182,847				182,847			182,847	UNDP

Local Consultants	Local Consultants (71300) – Total Value for Outcome 5 - $236,549 Output 5.1. Capacity building support consultant - $42,000 Local consultants to develop capacities matrix, assess existing government capacities, develop a capacity training program, and facilitate early roll out of capacity training and follow up support to provincial and district officers. Based on 140 days at $300, Output 5.2 – Support to development of remote deforestation system $142,052 Local consultants for establishment of remote deforestation system – based on 4.25 years of engagement at $33,424 per annum A technical support team including a knowledge management specialist and stakeholder engagement specialist will work across all Outputs: Knowledge Management and M&E expert – $29,590 x 6 years with 12.5% allocated to Outcome 5 = $22,192 Stakeholder engagement event convener and communications officers – $33,672 per year x 6 years with 15% allocated to Outcome 5 = $30,305					236,549			236,549			236,549	CEPA
Local Consultants	Local Consultants (71300) – Total Value for Outcome 5 - $29,080 A technical support team including a knowledge management specialist and stakeholder engagement specialist will work across all Outputs: Knowledge Management and M&E expert – $29,590 x 6 years with 5% allocated to Outcome 6 = $8,877 Stakeholder engagement event convener and communications officers – $33,672 per year x 6 years with 10% allocated to Outcome 6 = $20,203						29,080		29,080			29,080	CEPA
Local Consultants	Local Consultants (71300) – Total Value for Outcome 7 - $233,470 *Total without M&E* *Gender specialist (Output 7.3) - $18,000* *Based on 60 days at $300* *Impact evaluation Specialist (Output 7.4) - $12,000* *Based on 40days and $300* *A technical support team including a knowledge management specialist and stakeholder engagement specialist will work across all Outputs:* *Knowledge Management and M&E expert – $29,590 x 6 years with 12.5% allocated to Outcome 7 = $22,192* *Stakeholder engagement event convener and communications officers – $33,672 per year x 6 years with 25% allocated to Outcome 7 = $50,508* M&E sub-total - $130,770 Midterm Review Consultant (Output 7.2) - $21,000 Based on 70 days at $300 to conduct review of indicators and assessment of project Terminal Evaluation Consultant (Output 7.2) – $21,000 Based on 70 days at $300 to conduct review of indicators and assessment of project Knowledge Management and M&E expert- $88,770 $29,590 x 6 years with 50% allocated to M&E for the monitoring of Safeguards under Output 7.2							102,700	102,700			102,700	CEPA

Local Consultants	Local Consultants (71300) – Total Value for Outcome 7 - $233,470 Total without M&E Gender specialist (Output 7.3) - $18,000 Based on 60 days at $300 Impact evaluation Specialist (Output 7.4) - $12,000 Based on 40days and $300 A technical support team including a knowledge management specialist and stakeholder engagement specialist will work across all Outputs: Knowledge Management and M&E expert – $29,590 x 6 years with 12.5% allocated to Outcome 7 = $22,192 Stakeholder engagement event convener and communications officers – $33,672 per year x 6 years with 25% allocated to Outcome 7 = $50,508 *M&E sub-total - $130,770* *Midterm Review Consultant (Output 7.2) - $21,000* *Based on 70 days at $300 to conduct review of indicators and assessment of project* *Terminal Evaluation Consultant (Output 7.2) – $21,000* *Based on 70 days at $300 to conduct review of indicators and assessment of project* *Knowledge Management and M&E expert- $88,770* *$29,590 x 6 years with 50% allocated to M&E for the monitoring of Safeguards under Output 7.2*								-	130,770		130,770	UNDP
Training, Workshops, Meetings	Training, Workshops and Conferences (75700) – Total Value for Outcome 1 - $157,000 Actions under Output 1.1. – Budget $32,000 Operation of NSLUP implementation committee – Output 1.1. – Quarterly meetings at $500 per meeting – Total cost $10,000 Development guidelines for implementation of NSLUP – Output 1.1. – Consultation and training workshops on guidelines – 11 regional and national events at $2,000 – total cost $22,000 Actions under Output 1.2. – Budget $37,000 Series of consultations on the design, including user-needs assessment, and development of information hub – 2 meetings at $2,000 - $4,000 Support the establishment of a cross sector NSLUP technical working group focused on hub development – 9 meetings at $1,000 - $9,000 Develop communication materials and convene events on awareness raising on hub – 8 meetings at $3,000 - $24,000 Actions under Output 1.3. – Budget $88,000 Awareness raising, data collection and consultation events across provinces– 40 meetings at $2,000 - $80,000 Operations of provincial level land use committees – 8 meetings at $1,000 – total cost $8,000	157,000							157,000			157,000	UNDP
Training, Workshops, Meetings	Training, Workshops and Conferences (75700) – Total Value for Outcome 2 - $261,000 Under Component 2 number of trainings and workshops will be organised linked to the delivery of the outcome and outputs with proposed budgets as follows – travel for many of these events will also be supported under the travel budget line – see note 15a: Output 2.1. Operation of the Palm oil and Cocoa Platforms – Total Budget - $211,000 36 quarterly meetings for each platform at $1,500 per meeting, 20 provincial meetings at $2,000 per meeting, 20 national workshops at $3,000 each, and 18 provincial workshops at $3,000 each Output 2.2. TSA for Oil Palm and Cocoa – Total budget $14,000 7 consultation and training events at $2,000 Output 2.3. Policy and Action plans for Cocoa and Oil Palm - Budget $36,000 18 events (9 for each commodity) – at $2,000		261,000						261,000			261,000	UNDP

Training, Workshops, Meetings	Training, Workshops and Conferences (75700) – Total Value for Outcome 3 - $76,000 Output 3.1. Extension diagnostic study Budget $16,000 8 consultation events at $2,000 Output 3.2. Development and trialling of extension materials Budget $60,000 30 consultation and training events at $2,000 (15 per commodity)			76,000					76,000			76,000	UNDP
Training, Workshops, Meetings	Training, Workshops and Conferences (75700) – Total Value for Outcome 4 - $110,000 Outcome 4 Output 4.1. Strengthened management and networks for small holders Budget $90,000 7 field visits to provincial areas of PNG, 18 consultation and training events and 20 network meetings Output 4.2. Support to strengthened traceability systems Budget $20,000 8 trainings on traceability and payment process and 2 consultation events				110,000				110,000			110,000	UNDP
Training, Workshops, Meetings	Training, Workshops and Conferences (75700) – Total Value for Outcome 5 - $92,000 Output 5.1. - $26,000 Workshop to assess existing government capacities – 3 workshops at $2000 each – total $6,000 Training for early roll out of capacity and follow up support to provincial and district officers - 10 trainings at $2000 each – total $20,000 Output 5.2 - $38,000 National and subnational trainings to establish the deforestation monitoring and field verification reporting app – 10 meetings at $2000 each – total $20,000 Field testing and training of the deforestation monitoring and field verification reporting app – 9 meetings at $2,000 each – total $18,000 Output 5.3 – $28,000 Workshops for consultation and training for woodlot rehabilitation					92,000			92,000			92,000	CEPA
Training, Workshops, Meetings	Training, Workshops and Conferences (75700) – Total Value for Outcome 6 - $102,000 Output 6.1 – $58,000 CCA Network meetings – 4 meetings per year over the course of the project – 11 meetings at $2,000 – total $22,000 Workshops for training on land use management and planning – 11 meetings at $2,000 – total $22,000 Workshops to review findings for development of outline financing strategy for CCA^s across province and site-specific plans – 7 meetings at $2,000 – total $14,000 Output 6.2 - $44,000 Workshops for consultation on material for sustainable land management - 10 meetings at $2,000 each - $20,000 Workshops for participatory mapping exercises – 5 meetings at $2,000 each - $10,000 Workshops to develop a management plan to support land use mapping and plan – 7 meetings at $2,000 each - $14,000						102,000		102,000			102,000	CEPA
Training, Workshops, Meetings	Training, Workshops and Conferences (75700) – Total Value for Outcome 7 - $161,688 *Budget without M&E* *Output 7.1 - $128,668* *Organize/host 2 of the regional FOLUR events – 2 events at $18,000 each – total $36,000* *Organize/host 1 of CGP conference - 1 conference at $5,000 – total $5,000* *Trainings and landscape level workshops (19 trainings, 20 workshops): $87,668* *Output 7.2 - $12,000* *ESIA public consultations – 2 consultations at $2000 each – total $4,000* *Gender, ESMP training during implementation – 4 workshops at $2,000 each - $8,000* *Output 7.4 - $12,000* *Convene annual FOLUR-PNG workshops – 6 workshops at $2,000 each – total $12,000* M&E Sub-total - $9,000 Project inception workshop - $3,000 Annual project board meetings, inviting relevant stakeholders - $3,000 Annual Technical Advisory Committee meetings - $3,000							152,668	152,668			152,668	CEPA
Training, Workshops, Meetings	Training, Workshops and Conferences (75700) – Total Value for Outcome 7 - $161,688 Budget without M&E Output 7.1 - $128,668 Organize/host 2 of the regional FOLUR events – 2 events at $18,000 each – total $36,000 Organize/host 1 of CGP conference - 1 conference at $5,000 – total $5,000 Trainings and landscape level workshops (19 trainings, 20 workshops): $87,668 Output 7.2 - $12,000 ESIA public consultations – 2 consultations at $2000 each – total $4,000 Gender, ESMP training during implementation – 4 workshops at $2,000 each - $8,000 Output 7.4 - $12,000 Convene annual FOLUR-PNG workshops – 6 workshops at $2,000 each – total $12,000 *M&E Sub-total - $9,000* *Project inception workshop - $3,000* *Annual project board meetings, inviting relevant stakeholders - $3,000* *Annual Technical Advisory Committee meetings - $3,000*								-	9,000		9,000	UNDP
Travel	Travel (71600) – Total Value for Outcome 1 - $122,094 Under Component 1 there will be costs required for stakeholders and project staff/ consultants to travel to awareness raising events, trainings and workshops – these are summarized by output below (note travel for international consultants and contractual services are covered under respective budget lines): Actions under Output 1.1. – Budget $22,000 Travel cost to attendconsultation workshops on guidelines – 11 regional and national events at $2,000 – total cost $22,000, Actions under Output 1.2. – Budget $20,000 Travel for consultations on system design – 2 trips at $2,000 – total $4,000 Travel for training workshops on system use – 8 trips at $2,000 – total $16,000 Actions under Output 1.3. – Budget $80,094 Travel for awareness raising, data collection and consultation events across provinces- $80,094	122,094							122,094			122,094	UNDP

Travel	Travel (71600) – Total Value for Outcome 2 - $50,000 Under Component 2 there will be costs required for stakeholders and consultants to travel to collect information for stakeholder preferences and practices, for policy reviews of oil palm and cocoa commodities and for facilitating access to higher value and international markets – these are summarized by output below (note travel for international consultants and contractual services are covered under respective budget lines): Actions under Output 2.2. – Budget $14,000 Travel for consultation workshops with stakeholder on Targeted Scenario Analyses (TSA) of cocoa and oil palm development, 7 workshops at $2,000 – total $14,000 Actions under Output 2.3. – Budget $36,000 Travel for policy reviews and for consultations of policy reviews		50,000						50,000			50,000	UNDP
Travel	Travel (71600) – Total Value for Outcome 3 - $76,200 Actions under Output 3.1. – Budget $16,000 Travel for consultations of development plans for extension systems for oil palm and cocoa – 8 workshops at $2,000 – total $16,000 Actions under Output 3.2. – Budget $60,200 Travel for consultation for review of existing extension materials and international best practice (linked with assessment work under Output 3.1) for cocoa and palm oil (1 trip per commodity) 2 trips at $2,000 – total $4,000 Travel for consultation to develop cocoa and oil palm extension materials (2 trips per commodity) 2 trips at $2,000, 2 trips at $2,100 – total $8,200 Travel for training workshops for testing of materials cocoa and integration into guiding standard cocoa and for oil palm and integration into guiding standard oil palm (2 trips per commodity) 4 trips at $2,000 – total $8,000 Travel for training of trainers workshops for cocoa and oil palm (10 trips per commodity) 20 trips at $2,000 – total $40,000			76,200					76,200			76,200	UNDP
Travel	Travel (71600) – Total Value for Outcome 4 - $102,000 Actions under Output 4.1. – Budget $50,000 Travel for consultation for business-oriented management practices – 3 trips at $2,000 – total $6,000 Travel for training (training of trainers) for business-oriented management practices – 15 trips at $2,000 – total $30,000 Travel for field visits across PNG for development of information management for traceability systems – 7 trips at $2,000 – total $14,000 Actions under Output 4.2. – Budget $16,000 Travel to monitor the installation of the updated traceability systems – 2 trips at $2,000 – total $4,000 Travel for training of development of information management for traceability systems – 6 trips at $2,000 – total $12,000 Actions under Output 4.3. – Budget $36,000 Travel to represent PNG at international fora for oil palm – 6 trips at $6,000 – total $36,000				102,000				102,000			102,000	UNDP
Travel	Travel (71600) – Total Value for Outcome 5 - $92,000 Output 5.1. - $26,000 Travel for workshops to enhance capacity of provincial officers to take action with regard to environmental issues – 13 trips (for 13 workshops, see budget note 21) at $2,000 each - total $26,000 Output 5.2 - $38,000 Travel for workshops to establish an integrated environmental monitoring and reporting system– 19 trips (for 19 workshops, see budget note 21) at $2,000 each - total $38,000 Output 5.3 – $28,000 Travel for workshops to strengthen action on restoration of degraded areas and conservation to prevent environmental risks – 12 trips at $2,000 each - total $28,000					92,000			92,000			92,000	CEPA
Travel	Travel (71600) – Total Value for Outcome 6 - $80,000 Output 6.1 – $36,000 Travel for workshops for increasing the capacity of community groups to effectively manage CCA^s – 18 trips (for 18 workshops, see budget note 21) at $2,000 each - total $36,000 Output 6.2 - $44,000 Travel for workshops for development of management and restoration plans for CCA formulation, implementation and monitoring – 22 trips (for 22 workshops, see budget note 21) at $2,000 each - total $44,000						80,000		80,000			80,000	CEPA
Travel	Travel (71600) – Total Value for Outcome 7 - $415,600 *Travel without M&E* *Travel for development of a network of leaders and experts nationally and internationally through capacity building and links with the Global FCLUFI community of practice including Y1: travel and DSA for participants (4 trainings in all), Y2: travel and DSA for ToT trainings (2 trainings), Travel and DSA for landscape level workshops (2 per province for 18 people each), Participation in annual FCLUFI global event (6 events throughout project period, 2 Technical support team, 3 govs), Participation in annual FCLUFI regional commodity events (6 events throughout project period, 2 Technical support team, 3 govs), and Participation in GCP conference (3 events throughout project period, 2 Technical support team, 3 govs) - $161,000* *Consultant's travel cost for Quarterly Impact Evaluation missions, travel expenses to ensure implementation is monitored and evaluated to assess causal impacts and systemic change - $12,000* *Travel cost for Annual FCLUFI-PNG workshops, travel expenses for Lessons learnt captured, and knowledge products generated and disseminated globally, regionally, nationally and across target provinces and landscapes - $14,000* M&E – $28,000 Annual M&E missions for Knowledge Management and M&E expert and CTA– 6 trips at $2,000 each – total $12,000 Project inception workshop – 1 trip at $7,000 each – total $7,000 PB and Technical Advisory Committee meeting- $3,000 Midterm assessment of GEF core indicators and project results – 1 trip at $3,000 – total $3,000 Terminal assessment of GEF core indicators and project results – 1 trip at $3,000 each – total $3,000							387,000	387,000			387,000	CEPA

Travel	Travel (71600) – Total Value for Outcome 7 - $415,600 Travel without M&E Travel for development of a network of leaders and experts nationally and internationally through capacity building and links with the Global FOLUR community of practice including Y1: travel and DSA for participants (4 trainings in all), Y2: travel and DSA for ToT trainings (2 trainings), Travel and DSA for landscape level workshops (2 per province for 18 people each), Participation in annual FOLUR global event (6 events throughout project period, 2 Technical support team, 3 govs), Participation in annual FOLUR regional commodity events (6 events throughout project period, 2 Technical support team, 3 govs), and Participation in GCP conference (3 events throughout project period, 2 Technical support team, 3 govs) - $361,000 Consultant's travel cost for Quarterly Impact Evaluation missions, travel expenses to ensure implementation is monitored and evaluated to assess causal impacts and systemic change - $12,000 Travel cost for Annual FOLUR-PNG workshops, travel expenses for Lessons learnt captured, and knowledge products generated and disseminated globally, regionally, nationally and across target provinces and landscapes - $14,000 *M&E – $28,000* *Annual M&E missions for Knowledge Management and M&E expert and CTA– 6 trips at $2,000 each – total $12,000* *Project inception workshop – 1 trip at $7,000 each – total $7,000* *PB and Technical Advisory Committee meeting- $3,000* *Midterm assessment of GEF core indicators and project results – 1 trip at $3,000 – total $3,000* Terminal assessment of GEF core indicators and project results – 1 trip at $3,000 each – total $3,000								-	28,000		28,000	UNDP
Other Operating Costs	Audio Visual and Print Production Costs (74200) – Total value for Outcome 1 - $5000 Print costs linked to development of information materials for NSLUP and supporting regulations - Budget: $5000	5,000							5,000			5,000	UNDP
Other Operating Costs	Audio Visual and Print Production Costs (74200) – Total value for Outcome 7 - $4,250 A. M&E - Print prod costs for PB and steering committee meetings 6 meetings at $500 per meeting – total $ 3,000 B. *Output 7.3 - Audiovisual and print production for communicating ESMP issues 5 meetings at $250 per meeting – total $1,250*							1,250	1,250			1,250	CEPA
Other Operating Costs	Audio Visual and Print Production Costs (74200) – Total value for Outcome 7 - $4,250 A. *M&E - Print prod costs for PB and steering committee meetings 6 meetings at $500 per meeting – total $ 3,000* B. Output 7.3 - Audiovisual and print production for communicating ESMP issues 5 meetings at $250 per meeting – total $1,250								-	3,000		3,000	UNDP
Other Operating Costs	Audio Visual and Print Production Costs (74200) – Total - $3,313 Printing costs for meetings with various stakeholders – total $3,313								-		3,313	3,313	UNDP
Other Operating Costs	Professional services (74100) – Total - $9,000 Annual audit $1,500 x 6 years = $9,000								-		9,000	9,000	UNDP
Grand Total		1,986,821	2,011,388	1,083,461	1,386,393	1,311,680	700,260	1,470,840	9,950,843	248,370	509,961	10,709,174	

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).